

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

DMITRI E. TCHATCHANACHVILI
(CRD No. 4672692),

Respondent.

Disciplinary Proceeding
No. 2010022770802

Hearing Officer—Andrew H. Perkins

DEFAULT DECISION

August 15, 2012

Respondent is barred from associating with any FINRA member firm in any capacity for failing to appear for testimony, in violation of FINRA Rules 8210 and 2010.

Appearances

For the Department of Enforcement, Complainant: Christina J. Kang, Esq., and David M. Jaffe, Esq.

For Dmitri E. Tchatchanachvili, Respondent: no appearance.

DECISION

The FINRA Department of Enforcement (“Enforcement”) initiated this disciplinary proceeding against Dmitri E. Tchatchanachvili (“Tchatchanachvili”) because he failed to appear and provide on-the-record testimony pursuant to FINRA Rule 8210. FINRA staff had sought his testimony to aid its investigation into the reason he left Chase Investment Services Corp. (“Chase Investment”). Chase Investment had filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”) on May 5, 2010, which reported that Tchatchanachvili had resigned while he was under investigation by Chase Investment for alleged improper transactions in customer ATM accounts. The Complaint alleges that Tchatchanachvili violated FINRA Rules 8210 and 2010 by failing to provide testimony at an on-the-record interview.

I. Procedural History

Enforcement filed the attached Complaint with the Office of Hearing Officers on March 28, 2012.¹ Enforcement served Tchatchanachvili with a copy of the Complaint and Notice of Complaint by first-class mail and certified mail, return receipt requested, on March 27, 2012, at his residential address recorded in the Central Registration Depository (“CRD”).² On March 19, 2012, Tchatchanachvili had advised Enforcement that this was his current address.³ The certified mailing receipt reflects that the mailing was received by M. Kachaloff on March 29, 2012.⁴ Tchatchanachvili did not answer the Complaint by the deadline set in the Notice of Complaint.

On April 26, 2012, Enforcement served Tchatchanachvili with a copy of the Complaint and Second Notice of Complaint by first-class mail and certified mail, return receipt requested, at his CRD address.⁵ The certified mailing was returned to Enforcement because delivery had been “refused.”⁶

To date, Tchatchanachvili has not filed an Answer or otherwise responded to the Complaint. On June 21, 2012, Enforcement moved for entry of a Default Decision. Tchatchanachvili did not respond to the motion.

¹ The Notice of Complaint incorrectly reflects that the Complaint was filed and served on March 27, 2010. This is a typographical error.

² Declaration of Christina J. Kang (“Decl.”) ¶ 13.

³ *Id.* ¶ 12.

⁴ Ex. 7.

⁵ Decl. ¶ 17.

⁶ *Id.* ¶ 19; Ex. 9.

II. Findings of Fact and Conclusions of Law

Tchatchanachvili defaulted by failing to answer the Complaint. Accordingly, pursuant to FINRA Rules 9215(f) and 9269(a), the Hearing Officer treated the allegations in the attached Complaint as admitted.

A. Dmitri E. Tchatchanachvili

Tchatchanachvili was associated with Chase Investment between November 17, 2008, and April 14, 2010, and registered as an Investment Company and Variable Contracts Products Representative between December 22, 2008, and May 5, 2010.⁷ He has not been registered with FINRA since May 5, 2010.

B. Jurisdiction

FINRA has jurisdiction over this disciplinary proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws,⁸ because (1) the Complaint was filed within two years after FINRA terminated Tchatchanachvili's registration, and (2) the Complaint charges him with failing to respond to requests that he provide testimony that FINRA staff issued during the two-year period following the termination of his FINRA registration.

C. Failure to Provide Testimony

FINRA Rule 8210 grants FINRA staff the right to require a person subject to FINRA's jurisdiction to provide information with respect to any matter involved in an investigation, complaint, examination, or proceeding.⁹ In this case, Enforcement sought Tchatchanachvili's testimony in connection with FINRA's investigation of the circumstances surrounding his conduct disclosed by Chase Investment in the Form U5 dated May 5, 2010.

⁷ Ex. 1, at 4.

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 Rule 8210 (a)(1).

Enforcement first requested his testimony by letter dated November 21, 2011, which directed him to testify at an on-the-record interview on December 14, 2011. Enforcement sent the request to Tchatchanachvili at his CRD address, in accordance with Rule 8210(d).

Tchatchanachvili failed to appear for the on-the-record interview.

On December 14, 2011, Enforcement sent Tchatchanachvili a second request, directing him to appear for an on-the-record interview on January 5, 2012. Enforcement sent the request to Tchatchanachvili at his CRD address in accordance with Rule 8210(d). On January 4, 2012, Tchatchanachvili left a voicemail message for Enforcement, stating that he would not appear for the on-the-record interview the following day because he could not afford an attorney to represent him.¹⁰ Tchatchanachvili further stated that he would call Enforcement again the following day. However, Tchatchanachvili failed to call or appear for the on-the-record interview on January 5, 2012.

On February 3, 2012, Enforcement sent Tchatchanachvili a third request, directing him to appear for an on-the-record interview on February 13, 2012. Tchatchanachvili failed to appear at the scheduled on-the-record interview.

The foregoing facts establish that Tchatchanachvili violated FINRA Rules 8210 and 2010 by failing to appear and provide testimony in connection with Enforcement's investigation.

III. Sanctions

For failing to respond in any manner to a Rule 8210 request for information, the FINRA Sanction Guidelines ("Sanction Guidelines") provide that a bar should be the standard sanction.¹¹ The record does not disclose any mitigating factors that would warrant permitting

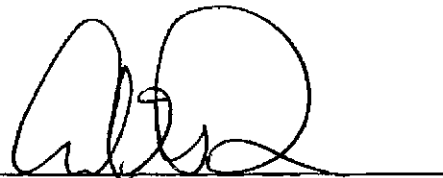
¹⁰ Compl. ¶ 11.

¹¹ FINRA Sanction Guidelines 33 (2011), *available at* www.finra.org/sanctionguidelines.

Tchatchanachvili to remain in the securities industry. Accordingly, the Hearing Officer finds that a bar is the appropriate sanction for his failure to provide testimony.

IV. Order

Dmitri E. Tchatchanachvili is barred from associating with any member firm in any capacity for failing to provide testimony, in violation of Rules 8210 and 2010. The bar shall become effective immediately if this Default Decision becomes FINRA's final action in this disciplinary proceeding.

A handwritten signature in black ink, appearing to read 'A. Perkins', written over a horizontal line.

Andrew H. Perkins
Hearing Officer

Copies to:

Dmitri E. Tchatchanachvili (*via overnight courier and first-class mail*)
Christina J. Kang, Esq. (*via electronic and first-class mail*)
David M. Jaffe, Esq. (*via electronic mail*)
David R. Sonnenberg, Esq. (*via electronic mail*)
Mark P. Dauer, Esq. (*via electronic mail*)

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

DMITRI TCHATCHANACHVILI (CRD No.
4672692),

RESPONDENT.

DISCIPLINARY PROCEEDING
No. 2010022770802

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Dmitri Tchatchanachvili failed to respond to requests to appear for testimony sent to him by FINRA pursuant to FINRA Rule 8210, in violation of FINRA Rules 8210 and 2010.

JURISDICTION

2. Respondent first became registered with FINRA on or about December 22, 2008, as an Investment Company Products/ Variable Contracts Representative through his association with Chase Investment Services Corp. (BD No. 25574) ("Chase") where he remained registered until May 5, 2010.
3. Respondent is no longer in the securities industry, but 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 Chase and (2) the Complaint charges him with failing to appear for on-the-record testimony during the two-year period after the date upon which he ceased to be associated with a FINRA member.

BACKGROUND

4. On or about June 11, 2010, and August 6, 2010, respectively, FINRA Staff ("Staff") sent letters to Respondent pursuant to FINRA Rule 8210 requesting information "with respect to a Form U5 filing from Chase Investment Services Corp. which reported that Respondent resigned on April 14, 2010, while being reviewed for placing transactions in a customer's ATM account"; however, Respondent failed to respond to the Staff's letters.
5. Thereafter, Enforcement staff initiated a non-summary proceeding, pursuant to FINRA Rule 9552, to suspend Respondent based on his failure to respond to the Staff's letters. Respondent responded to such proceeding by contacting Enforcement staff and agreeing to provide testimony in an On-the-Record interview ("OTR") and Enforcement, in turn, withdrew the Rule 9552 proceeding. However, Respondent failed to appear to provide testimony at his scheduled OTRs.

FIRST CAUSE OF ACTION (Failure to Appear to Provide Testimony) Violation of FINRA Rules 8210 and 2010

6. The Department realleges and incorporates by reference paragraphs 1-5 above.
7. By letter dated November 21, 2011, Enforcement staff sent Tchatchanachvili a request pursuant to FINRA Rule 8210 to testify at an OTR scheduled for December 14, 2011 ("First Request").

8. The First Request was sent to Tchatchanachvili's address as listed in CRD ("CRD Address"). The First Request was sent by first class and certified mail to Tchatchanachvili's CRD Address. The First Request sent by first class mail was not returned. The First Request sent by certified mail was returned to the Staff with a label bearing the notation: "Return to Sender/ Attempted – Not Known/ Unable to Forward."
9. Respondent failed to appear at the OTR on December 14, 2011.
10. By letter dated December 14, 2011, Enforcement staff sent Respondent another request, again pursuant to FINRA Rule 8210 ("Second Request"), to testify at an OTR scheduled for January 5, 2012. The Second Request was sent by first class and certified mail to Respondent's CRD Address. The Second Request sent by first class mail was not returned. The Second Request sent by certified mail was returned to the Staff with a label bearing the notation: "Return to Sender/ Unclaimed/ Unable to Forward."
11. On January 4, 2012, Respondent left a voicemail message for Enforcement staff stating that he would not appear for testimony on January 5, 2012 because he did not have any money to afford an attorney. Respondent stated in his voicemail message that he would call Enforcement staff again on January 5, 2012.
12. Respondent did not call Enforcement staff on January 5, 2012.
13. Respondent failed to appear for the OTR on January 5, 2012.
14. On January 27, 2012, Enforcement staff requested in a telephone message that Respondent call Enforcement staff by February 1, 2012, to schedule a date for an OTR. Respondent did not call Enforcement staff.

15. By letter dated February 3, 2012, Enforcement staff sent a request pursuant to FINRA Rule 8210 to Respondent ("Third Request") to testify at an OTR scheduled for February 13, 2012.
16. The Third Request was sent to Respondent's CRD Address by first class mail and certified mail. The Third Request sent by first class mail was not returned. The certified mailing receipt for the Third Request sent by certified mail was returned to Enforcement staff bearing the apparent signature "Edward Kachaloff".
17. Respondent failed to appear for the OTR on February 13, 2012.
By failing to appear to provide testimony to FINRA, Tchatchanachvili violated FINRA Rules 8210 and 2010.

RELIEF REQUESTED

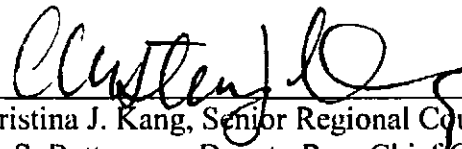
WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violation charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed.

C. 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

Date: March 27, 2012



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