

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Todd Lloyd Goedeke
(CRD No. 1210932)

Respondent.

DISCIPLINARY PROCEEDING
No. 20100237418-01

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Todd Lloyd Goedeke ("Goedeke" or the "Respondent") violated FINRA Rule 2010 by misappropriating a customer's funds and violated FINRA Rules 8210 and 2010 by failing to respond to requests made pursuant to FINRA Rule 8210.

RESPONDENT AND JURISDICTION

2. Goedeke became registered as a General Securities Representative in or about November 1983. On or about March 26, 2004, Goedeke became associated as a General Securities Representative with Cantella & Co., Inc. ("Cantella"). Goedeke remained associated with Cantella until his termination on June 18, 2010.

3. Within two years of the original notice of termination, Cantella filed amendments to the original notice of termination, which disclosed that Goedeke may have engaged in additional conduct which is actionable under FINRA Rules. These include an amended Form U5 filed on or about February 22, 2011, and an amended Form U5 filed on or about March 16, 2011.
4. Goedeke has not been associated with any member in any capacity since Cantella terminated his association on June 18, 2010, but as a result of amendments made to the original notice of termination, Goedeke remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

FIRST CAUSE OF ACTION

Misappropriation of Funds

FINRA Rule 2010

5. Enforcement realleges and incorporates by reference paragraphs 2 through 4 above.
6. Goedeke serviced at Cantella brokerage accounts for customer "CK" that were carried by another FINRA member organization "RJ."
7. At the direction of Goedeke, CK gave to Goedeke a check dated September 14, 2009, in the amount of \$4,800, payable to "Wealthcare & Retirement Sol[utions]" a business associated with Goedeke. CK intended the check to be used for an investment relating to the brokerage accounts.
8. CK's check was neither a gift nor a loan to Goedeke.
9. On September 14, 2009, Goedeke made a deposit of \$4,800 into a bank account held in the name of "Todd Goedeke DBA Wealth Care & Retirement Solutions."

10. CK's checking account was debited for the check amount. However, the check was not deposited by Goedeke into any of CK's brokerage accounts.
11. CK did not learn until early 2011 that Goedeke did not make an investment in any of the brokerage accounts with the check funds.
12. In March 2011, CK agreed to a settlement with Cantella in the amount of \$4,825. According to the settlement agreement, the payment to CK of \$4,825 represented "reimbursement for a (\$25) Twenty Five Dollar Stop Payment fee on a personal check and another check for (\$4,800) Forty Eight Hundred Dollars dated September 14, 2009 from Releasor [CK], payable to Wealth Care & Retirement Sol., an entity under which Mr. Todd Goedeke is believed to have operated as a d/b/a for the benefit of Todd Goedeke, intended for investment purposes in the [RJ] Brokerage account that were never made by Mr. Goedeke . . ."
13. By virtue of the foregoing, Goedeke violated FINRA Rule 2010.

SECOND CAUSE OF ACTION

Failure to Respond to FINRA Rule 8210 Request

FINRA Rule 8210 and FINRA Rule 2010

14. The Department realleges and incorporates by reference paragraphs 2 through 12, above.
15. FINRA Rule 8210(a)(1) states, in relevant part, that FINRA staff have 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 the investigation . . ." FINRA Rule 8210(c) states 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."

16. A violation of FINRA Rule 8210 constitutes a violation of FINRA Rule 2010, which states that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”
17. By letter dated May 4, 2011 (the “May 4th Letter”) Goedeke was advised by staff that the Department was conducting an investigation. Goedeke was further advised that amended Form U5 filings reported customer allegations that Goedeke had deposited customer funds into a personal account. Among other things, Goedeke was requested to submit a detailed written response to each matter and customer, and to also provide documents in his possession or control relating to the customers, by no later than May 23, 2011. The May 4th Letter was sent via certified mail return receipt requested and first class mail, to [REDACTED] which was Goedeke’s last known residential address, as reflected in the Central Registration Depository (the “CRD Address”). The certified mailing was returned “unclaimed unable to forward.” The first class mailing was returned “not deliverable as addressed unable to forward.” The May 4th Letter was also sent via certified mail return receipt requested and first class mail, to [REDACTED] [REDACTED] which was an address that appeared on a submission that Goedeke made to FINRA on or about September 30, 2010 (the “Goedeke Address”). The certified mailing was returned “unclaimed unable to forward.” The first class mailing was returned “not deliverable as addressed unable to forward.”
18. As of June 3, 2011, Goedeke had not responded to the requests in the May 4th Letter. Under cover of a letter dated June 3, 2011 (the “June 3rd Letter”) staff sent a copy of the May 4th Letter to Goedeke via certified mail return receipt requested and first class mail. The mailings were sent to the CRD Address, to the Goedeke Address, and to 322

Torrison Ave, Valders, WI 54245, a variant of the Goedeke Address and the CRD Address (the "Variant Goedeke Address"). Goedeke was requested in the cover letter to respond to each of the requests in the May 4th Letter by no later than June 17, 2011. The certified mailings to the CRD Address, the Goedeke Address and the Variant Goedeke Address were returned to Enforcement "unclaimed unable to forward." The first class mailings sent to the CRD Address, the Goedeke Address and the Variant Goedeke Address were returned "not deliverable as addressed unable to forward."

19. As of June 11, 2012, Goedeke had not responded to the requests in the May 4th Letter.

Under cover of a letter dated June 11, 2012 (the "June 11th Letter") staff sent a copy of the May 4th Letter and the June 3rd Letter to Goedeke at various addresses. Mailings sent to the CRD Address and to the Goedeke Address were sent via certified mail return receipt requested and by first class mail. The mailings sent by certified mail and first class mail were returned "not deliverable as addressed unable to forward." A mailing was sent by FedEx to [REDACTED] which was a potential more current residence address. This mailing was delivered by FedEx, and "Left at front door." Another FedEx mailing was sent to 117 N. Wisconsin Drive, Sheboygan, WI 53083, which was an address where Goedeke was believed to have formerly conducted business. This mailing was returned by FedEx with the message "Recipient moved and left no forwarding address or phone number." Goedeke was requested in the June 11th Letter to respond to each of the requests in the May 4th Letter on or before June 25, 2012. To date, Goedeke has not responded to the request.

20. By virtue of the foregoing, Goedeke violated FINRA Rule 8210 and FINRA Rule 2010.

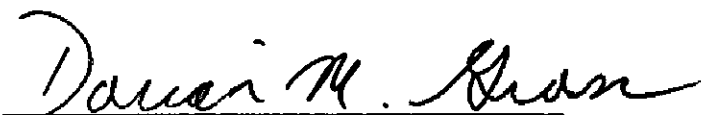
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations 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 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: November 7, 2012



Dorian M. Gross, Senior Counsel
Susan Schroeder, Sr. VP & Counsel
Tracy Timbers, Enforcement Director
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street, 11th Floor
New York, New York 10281-1003
Phone: (646) 315-7345; Fax: (202) 689-3441
E-Mail: dorian.gross@finra.org