

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

BRENT AARON VOLSTAD
(CRD No. 5438976),

Respondent.

Disciplinary Proceeding
No. 2010025730302

Hearing Officer—Andrew H. Perkins

DEFAULT DECISION

July 25, 2012

Respondent is barred from associating with any FINRA member firm in any capacity for failing to respond to FINRA's requests for information and documents, in violation of Rules 8210 and 2010. In light of the bar imposed for this violation, no additional sanction is imposed for Respondent's untimely response to other requests for information, in violation of Rules 8210 and 2010.

Appearances

Sandra J. Harris, Esq., for the Department of Enforcement.

No appearance by or on behalf of respondent Brent Aaron Volstad.

DECISION

The FINRA Department of Enforcement ("Enforcement") filed the attached Complaint with the Office of Hearing Officers on February 29, 2012. The Complaint charges Respondent Brent Aaron Volstad ("Volstad") with failing to respond in a timely manner to two requests for information FINRA staff issued in January and February 2011, and failing to respond in any manner to two requests for information FINRA staff issued in September 2011. Enforcement alleges that Volstad thereby violated FINRA Rules 8210 and 2010.

Volstad did not answer or otherwise respond to the Complaint. On May 23, 2012, Enforcement filed a Motion for Entry of Default Decision (“Default Motion”).¹ Volstad did not respond to the Default Motion.

For the reasons discussed below, the Hearing Officer found Volstad in default and granted Enforcement’s Default Motion.

I. Procedural History

On December 21, 2010, FINRA received a Uniform Termination Notice for Securities Industry Registration (“Form U5”), which Genworth Financial Securities Corporation (“Genworth”) filed on Volstad’s behalf.² The Form U5 reported that Genworth had discharged Volstad for “failure to respond to firm inquiries on outside business activity.”³ Upon receipt of the Form U5, FINRA opened an investigation of Volstad’s alleged outside business activities.⁴

On February 29, 2012, Enforcement served Volstad with a copy of the Complaint and Notice of Complaint by first-class and certified mail at his residential address recorded in the Central Registration Depository (the “CRD Address”).⁵ Barbara Volstad received the certified mailing at the CRD Address on March 3, 2012.⁶ The Notice of Complaint required Volstad to file an answer with the Office of Hearing Officers no later than March 28, 2012. Volstad did not answer or otherwise respond to the Complaint by the deadline.

On March 29, 2012, Enforcement served Volstad with a copy of the Complaint and Second Notice of Complaint by first-class and certified mail at his CRD Address. Barbara

¹ Enforcement’s Default Motion is supported by the sworn declaration of Sandra J. Harris, Esq., and eight attached exhibits.

² Ex. 2.

³ *Id.* at 2.

⁴ Decl. of Sandra J. Harris in Support of Mot. for Entry of a Default Decision (“Decl.”) ¶ 4.

⁵ Decl. ¶ 5; Ex. 3. Enforcement also attempted to serve Volstad at another address.

⁶ Ex. 4.

Volstad received the certified mailing at the CRD Address on April 23, 2012.⁷ Enforcement also sent the Second Notice of Complaint to Volstad at an alternate address, which Barbara Volstad received on March 31, 2012.⁸ The Second Notice of Complaint required Volstad to file an answer with the Office of Hearing Officers no later than April 16, 2012. Volstad did not answer or otherwise respond to the Complaint by the deadline.

Enforcement properly served Volstad with copies of the Complaint by first-class certified mail at his CRD Address. Volstad thereby received valid constructive notice of this proceeding. Accordingly, Volstad defaulted by failing to answer or otherwise respond to the Complaint.⁹

II. Findings of Fact and Conclusions of Law

Pursuant to FINRA Rules 9215(f) and 9269(a), the Hearing Officer treated the allegations in the attached Complaint as admitted.

Brent Aaron Volstad

Volstad entered the securities industry in 2008. Between April 2009 and December 2010, he was associated with Genworth and was registered with FINRA as an Investment Company and Variable Contracts Products Representative from May 14, 2009, until December 21, 2010.¹⁰ Volstad has not been registered with FINRA since December 21, 2010.

Jurisdiction

FINRA has 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 FINRA terminated Volstad's registration, and (2) the Complaint charges him with failing to properly

⁷ Decl. ¶ 6; Ex. 7.

⁸ Decl. ¶ 6; Ex. 8.

⁹ See Rule 9215(f).

¹⁰ Ex. 1, at 4.

respond to requests for information that FINRA issued during the two-year period following the termination of his FINRA registration.¹¹

Failure to Respond Timely to Requests for Information

The First Cause of Action of the Complaint alleges that Volstad failed to respond in a timely manner to two requests for information dated January 18 and February 3, 2011.

Enforcement issued each request pursuant to FINRA Rule 8210, which 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.¹²

FINRA staff served each request by certified mail at Volstad's CRD Address. FINRA staff received signed receipts for both certified mailings. Barbara Volstad signed the receipt for the January 18 request. The second receipt was signed by "Volstad."¹³ Volstad did not respond to either request.

On May 16, 2011, FINRA sent Volstad a Notice of Suspension pursuant to FINRA Rule 9552. The notice informed Volstad that his FINRA registration would be suspended unless he complied with the information requests before June 9, 2011.¹⁴ FINRA staff received Volstad's response on June 7, 2011.¹⁵

The facts alleged in the First Cause of Action establish that Volstad violated FINRA Rules 8210 and 2010 by failing to respond in a timely manner to the Rule 8210 requests for information.

¹¹ 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").

¹² Rule 8210 (a)(1).

¹³ Compl. ¶¶ 6-7.

¹⁴ *Id.* ¶ 9.

¹⁵ *Id.* ¶ 10.

Failure to Respond to Two Additional Information Requests

The Second Cause of Action of the Complaint alleges that Volstad failed to respond in any manner to two additional requests for information FINRA staff issued pursuant to Rule 8210 in September 2011. FINRA staff issued these two additional requests to follow up on the information Volstad provided in his June 7, 2011, response to the staff's initial inquiries.

On September 6, 2011, FINRA staff sent Volstad a request for information and documents. The staff sent the request by first-class and certified mail to Volstad's CRD Address. Barbara Volstad signed the receipt for the certified mailing. However, Volstad did not respond to the request.¹⁶

On September 26, 2011, FINRA staff sent Volstad another request for information and documents by first-class and certified mail to his CRD Address. "P. Volstad" signed the receipt for the certified mailing. Volstad did not respond in any manner to this request.¹⁷

The facts alleged in the Second Cause of Action establish that Volstad violated FINRA Rules 8210 and 2010 by failing to respond in any manner to the Rule 8210 requests for information and documents dated September 6 and September 26, 2011.

III. Sanctions

A. Failure to Respond in Any Manner

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.¹⁸ The record does not disclose any mitigating factors that would warrant permitting Volstad to remain in the securities industry. Accordingly, the Hearing Officer finds that a bar is the

¹⁶ Compl. ¶ 14.

¹⁷ *Id.* ¶ 15.

¹⁸ FINRA Sanction Guidelines 33 (2011), www.finra.org/sanctionguidelines.

appropriate sanction for his failure to respond in any manner to the two requests for information and documents FINRA staff issued in September 2011.

B. Failure to Respond Timely

For failing to respond in a timely manner to a Rule 8210 request for information, the Sanction Guidelines provide for a suspension in any or all capacities for up to two years and a fine between \$2,500 and \$25,000.¹⁹ In determining the appropriate sanction in an individual case, the Sanction Guidelines instruct adjudicators to consider: (1) the importance of the information 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.²⁰

Taking the foregoing factors into consideration, the Hearing Officer finds that the appropriate sanctions for this violation would be a \$5,000 fine and a two year suspension from associating with any FINRA member firm in any capacity. Volstad did not respond to the requests for information until after he received the Notice of Suspension, approximately four months after FINRA staff issued the first request for information, which is a serious violation of Rule 8210. However, in light of the bar imposed for his failure to respond to the other two Rule 8210 requests for information, the Hearing Officer will not impose a further sanction for this violation.

IV. Order

Brent Aaron Volstad is barred from associating with any member firm in any capacity for failing to respond in any manner to two FINRA's requests for information and documents, in violation of Rules 8210 and 2010. The bar shall become effective immediately if this Default Decision becomes FINRA's final disciplinary action in this disciplinary proceeding.

¹⁹ FINRA Sanction Guidelines 33 (2011), www.finra.org/sanctionguidelines.

²⁰ *Id.*

In light of the bar imposed for his failure to respond in any manner to two requests for information and documents, the Hearing Officer did not impose an additional sanction for Volstad's failure to respond in a timely manner to the requests FINRA staff issued on January 18 and February 3, 2011.

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

Andrew H. Perkins
Hearing Officer

Copies to:

Brent Aaron Volstad (*via overnight courier and first-class mail*)
Sandra J. Harris, Esq. (*via electronic and first-class mail*)
Mark P. Dauer, Esq. (*via electronic mail*)
David R. Sonnenberg, Esq. (*via electronic mail*)