

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

CHRISTOPHER A. MILAM
(CRD No. 5586830),

Respondent.

Disciplinary Proceeding
No. 2011027538701

Hearing Officer – RLP

DEFAULT DECISION

February 1, 2013

Respondent is barred from associating with any FINRA member in any capacity for (i) converting funds, in violation of FINRA Rule 2010; and (ii) failing to provide requested information, in violation of FINRA Rules 8210 and 2010.

Appearances

Dale A. Glanzman, Esq., and Mark A. Koerner, Esq., Chicago, IL, for the Department of Enforcement.

No appearance by or for Respondent.

DECISION

I. Introduction

FINRA investigators began the inquiry that led to the filing of a complaint against Christopher Andrew Milam after Princor Financial Services Corp., a FINRA member, filed an amended Uniform Termination Notice for Securities Industry Registration (Form U5). The Form U5 disclosed that, as of April 2011, Milam (who had terminated his association with Princor around one year earlier) was the subject of an internal investigation of theft.¹ Based on

¹ Complaint ¶ 20; Declaration of Dale A. Glanzman ("Glanzman Decl.") ¶¶ 5, 11(a); Complainant's Exhibit ("CX") -2.

evidence obtained in the course of the investigation, the FINRA Department of Enforcement initiated this proceeding on August 10, 2012.

Enforcement charged, in its first cause of action, that Milam misused funds, in violation of Rule 2010, and, in its second cause of action, that Milam failed to respond to requests for information, in violation of FINRA Rules 8210 and 2010. Milam did not answer or otherwise respond to the complaint. Consequently, on October 31, 2012, Enforcement filed a motion for entry of a default decision, together with the Declaration of Dale A. Glanzman and six exhibits. Milam did not respond to the motion.²

For the reasons set forth below, the Hearing Officer concludes that FINRA has jurisdiction over this disciplinary proceeding and that Milam has defaulted by failing to answer the complaint. The Hearing Officer further concludes that the facts set out in the complaint and materials supporting Enforcement's motion establish violations of Rule 2010, as charged in the first cause of action, and of Rules 8210 and 2010, as charged in the second cause, and that it is appropriate to impose the sanction of a bar for each of these violations.

II. Jurisdiction

Milam began his career in the securities industry in 2008 when he joined Prncor, registering as an Investment Company Products and Variable Contracts Representative. After he left Prncor in May 2010, he joined another FINRA member firm, Park Avenue Securities LLC, registering in the same capacity as he had with Prncor. He left Park Avenue Securities on March 31, 2011, and his registration was terminated on April 6, 2011. Since then, he has not been associated with or registered through a FINRA member firm.³

² Given that Milam is in default as detailed below, the factual determinations in this decision are based on allegations in the attached complaint, which are deemed admitted, as well as on the Glanzman Declaration and attached exhibits, and a supplemental declaration and exhibits filed on January 17, 2013.

³ Complaint ¶ 2; Glanzman Decl. ¶ 5; CX-2.

Although Milam is not currently associated with a FINRA member firm, FINRA has jurisdiction over this disciplinary proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because the complaint: (i) was filed within two years following the termination of Milam's registration with Park Avenue Securities; and (ii) charges Milam with misconduct that occurred while he was registered with Princor and Park Avenue Securities, and with failing to respond to information requests made during the two-year period following the termination of his last FINRA registration.⁴

III. Respondent's Default

On August 10, 2012, Enforcement sent a notice of complaint and the complaint to Milam by first-class and certified mail to his residential address as recorded in FINRA's Central Registration Depository ("CRD Address").⁵ Milam did not respond. Accordingly, on September 10, 2012, Enforcement sent a second notice of complaint and the complaint to Milam's CRD Address by first-class and certified mail. The deadline specified in the second notice for filing an answer was September 27, 2012. Milam did not respond.⁶

Ordinarily, such mailings would give a recipient valid constructive notice of a proceeding and, hence, would support a finding here that Milam defaulted by failing to answer the complaint.⁷ As set forth in the complaint, however, Milam told FINRA staff in August 2011 that he had moved from his CRD Address and provided an updated address.⁸ Accordingly, by order dated November 16, 2012, Enforcement was required either to supplement its motion with a

⁴ See Article V, Sec. 4(a), FINRA By-Laws, available at www.finra.org/Industry/Regulation/FINRARules/ (then follow "FINRA Manual" hyperlink to "Corporate Organization: By-Laws").

⁵ Glanzman Decl. ¶ 6; CX-3.

⁶ Glanzman Decl. ¶¶ 7-8; CX-5.

⁷ *Dep't of Enforcement v. Moore*, 2012 FINRA Discip. LEXIS 45, at *19-21 (NAC July 26, 2012) (finding that respondent had constructive notice of complaint mailed to his CRD address).

⁸ E.g., Complaint ¶ 23; see also p.8 *infra*.

declaration establishing that Milam had been served at the updated address or to re-serve the complaint.

Enforcement re-served the complaint by mailing a third notice of complaint, together with all earlier notices and the complaint, to Milam's updated address, as well as his CRD Address, on November 16, 2012. When Milam did not respond, Enforcement mailed a fourth notice of complaint, together with all earlier notices and the complaint, to Milam's updated address, as well as his CRD Address, on December 18, 2012. The deadline to respond to the fourth notice was January 4, 2013. To date, Milam has not filed an answer or otherwise responded to the complaint.⁹

Milam has received valid constructive notice of this proceeding and, therefore, the Hearing Officer concludes that Milam has defaulted by failing to answer the complaint.

IV. Findings of Fact and Conclusions of Law

A. Misuse of Funds

Findings of Fact. In 2009, Milam presented to the board of directors of an Iowa country club a proposal that the club sponsor an annual memorial golf tournament and use the net profits from those tournaments to establish and maintain a scholarship fund. He proposed that the profits be held in an account at his brokerage firm and that, from the interest on the principal that would accumulate after five years, a high school senior from the local area be awarded a scholarship. The board accepted Milam's proposal and thereafter two golf tournaments were held, one in 2009 and another one in 2010, generating a total net profit of \$3,471.¹⁰

⁹ Dale Glanzman's Supplemental Declaration Supporting a Motion for Entry of Default Decision ¶¶ 4-6; CX-7, CX-10.

¹⁰ Complaint ¶¶ 5-7; Glanzman Decl. ¶¶ 9(a) - (c).

After the second tournament, in an August 2010 email to a country club board member, Milam, who later claimed to be “the facilitator of the funds,” represented that he had deposited the funds in an account he had opened in his own name at Principal Life Insurance Company, an affiliate of Princor and one of his employers from 2008 through May 2010. A few days later, Milam sent a letter to the entire board stating that it had come to his attention that the board wanted to use the funds to pay down country club debts. Milam objected, claiming that the funds were being kept in a money market account and that, at the time the account was established, he had been tasked with “safeguard[ing] the principal and manag[ing] the account” so that, in five years, a scholarship could be awarded. He closed the letter by stating that he would not provide the board with the number of the account in which the funds were being held.¹¹

For the next five months, board members and the board’s attorney repeatedly contacted Milam, attempting to learn more about where, how, and if Milam had invested the tournament profits. In addition, they repeatedly asked Milam to return the funds to the board. Although Milam promised to provide an account statement from Principal, he failed to honor that promise. He never provided the board with accurate, verifiable information about what he did with the funds and he never returned the funds as requested.¹²

In early 2011, the local county sheriff’s office began an investigation into whether criminal charges should be filed against Milam for his handling of the tournament profits. As part of the inquiry, the sheriff sought to learn whether Milam had, in fact, established an account at Principal for the tournament funds. Principal was unable to verify that such an account had ever existed. Noting Principal’s response to its inquiry in an affidavit filed together with a

¹¹ Complaint ¶¶ 8-9; Glanzman Decl. ¶¶ 9(d) - (e).

¹² Complaint ¶¶ 10-11; Glanzman Decl. ¶¶ 9(f) - (g).

complaint accusing Milam of theft—because he allegedly took “possession and control of money, which [he] . . . had in trust, by using or disposing of it in a manner inconsistent with the owner’s right to such property”—the sheriff further reported that the amount of missing funds was estimated to be \$3,471. On April 28, 2011, the county attorney filed a Trial Information in the Iowa District Court, formally accusing Milam of Theft in the Second Degree, a class D felony, for misappropriating the proceeds of the memorial golf tournaments.¹³

On January 31, 2012, Milam entered an Alford plea to Theft in the Fifth Degree, a misdemeanor.¹⁴ On the same date, the Iowa District Court entered a deferred judgment on the amended charge. In the meantime, the country club’s insurance carrier paid out \$3,471 to the country club, and Milam’s parents, in turn, reimbursed the insurance company for the outlay.¹⁵

Conclusions of Law. Based on the foregoing, the Hearing Officer concludes that Enforcement has sufficiently established that Milam misused the country club’s funds.¹⁶ The FINRA Sanction Guidelines (“Guidelines”) define conversion as “an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it.”¹⁷ Although he may initially have been entrusted to invest the tournament profits, his subsequent conduct—refusing to supply the country club with any reliable information about whether, when, and how he had invested the tournament profits;

¹³ Complaint ¶¶ 12-15; Glanzman Decl. ¶¶ 9(h) - (k).

¹⁴ An Alford plea registers a claim of neither guilt nor innocence and the defendant—typically with the court’s permission—accepts all the ramifications of a guilty verdict (i.e., punishment) without first attesting to having committed the crime. The name “Alford plea” is taken from *North Carolina v. Alford*, 400 U.S. 25 (1970). See http://www.law.cornell.edu/wex/alford_plea.

¹⁵ Complaint ¶¶ 16-17; Glanzman Decl. ¶¶ 9(l) - (m).

¹⁶ Enforcement characterizes Milam’s actions as a “misuse of customer funds” while at the same time expressing uncertainty about whether the club was a securities customer. Because Milam’s conduct fits within the definition of conversion and it is well established that converting the funds of a non-customer violates Rule 2010, it is unnecessary to determine whether the country club was Milam’s customer.

¹⁷ *FINRA Sanction Guidelines* 36, n.2 (2011), available at www.finra.org/Industry/Enforcement/Sanctionguidelines.

failing to respond to queries about whether he had used the funds for his own purposes; and rebuffing the club's requests to return the funds—amounted to an unauthorized use of the funds in derogation of the club's ownership rights and, hence, a conversion.

Rule 2010 states that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”¹⁸ It is well established that conversion is conduct inconsistent with commercial honor and just and equitable principles of trade.¹⁹ And this holds true, even if the funds converted are those of a non-customer.²⁰ As the Securities and Exchange Commission has consistently held, FINRA's disciplinary authority “is broad enough to encompass business-related conduct that is inconsistent with just and equitable principles of trade, even if that activity does not involve a security.”²¹ Here, as the self-proclaimed “facilitator” of the tournament funds, Milam's handling of those funds was business-related conduct and, therefore, within the ambit of Rule 2010. Based on the foregoing facts, the Hearing Officer finds that Milam violated Rule 2010 by misusing the tournament profits.

B. Failure to Respond to Requests for Information

Findings of Fact. On May 13, 2011, shortly after Princor filed the amended Form U5 disclosing that Milam was under investigation for theft, FINRA staff mailed a letter to Milam's CRD Address requesting that, in accordance with Rule 8210, Milam supply a signed statement concerning whether he had misappropriated the tournament profits, together with any

¹⁸ Rule 2010 applies to Milam through Rule 0140, which provides that persons associated with a FINRA member have the same duties and obligations as the member.

¹⁹ See *John Edward Mullins*, Exchange Act Rel. No. 66373, 2012 SEC LEXIS 464, at *33 (Feb. 10, 2012).

²⁰ *Dep't of Enforcement v. Lorne*, No. 2006005523401, 2009 FINRA Discip. LEXIS 13, at *20-21 (OHO Feb. 10, 2009) (citing, e.g., *Dist. Bus. Conduct Comm. v. Vail*, No. C06920051, 1994 NASD Discip. LEXIS 192, at *13 (NBCC Sept. 22, 1994), *aff'd*, *Henry E. Vail*, 52 S.E.C. 339, 342 (1995), *aff'd*, 101 F.3d 37 (5th Cir. 1996) (*per curiam*)).

²¹ E.g., *Vail v. SEC*, 101 F.3d at 39 & n.4 (quoting *Earnest A. Cipriani*, 51 S.E.C. 1004, 1006 n.5 (1994), 1994 SEC LEXIS 506, at *4 n.5); *Daniel D. Manoff*, 55 S.E.C. 1155, 1162 & n.8 (2002), 2002 SEC LEXIS 2684, at *11-12 & n.8.

correspondence or memoranda related to the alleged theft. Milam did not supply the requested information. Accordingly, on June 15, 2011, FINRA staff mailed another letter to Milam's CRD Address, inquiring, as before, about the tournament profits. Again, Milam did not respond.²²

On August 25, 2011, in a telephone conversation with FINRA counsel, Milam asserted that he had not received the two Rule 8210 requests. He stated that he had moved from his CRD Address, and provided an updated address. The next day, FINRA staff sent a third Rule 8210 request letter to Milam's CRD Address and the updated address by certified mail, return receipt requested, among other means. The letter requested the same information as had been requested before. Thereafter, the receipt for the certified mailing to the updated address was returned with the signature "Pam Milam."²³ Milam nevertheless did not respond to this letter.²⁴

On October 4, 2011, an attorney contacted FINRA staff on behalf of Milam, stating that he was representing Milam in the matter and that a theft charge had been filed against Milam. Three months later, FINRA staff sent a letter to Milam's counsel, again under Rule 8210, requesting, among other things, copies of all pleadings filed in the criminal action; an accounting of Milam's handling of the golf tournament profits; and other documents staff believed would be helpful in the investigation. When no response was received, FINRA staff sent another request to Milam's counsel on February 1, 2012, for the same information. To date, neither Milam nor his attorney has responded to any of the staff's requests for information.²⁵

Conclusions of Law. FINRA Rule 8210(c) sets forth an unequivocal requirement that registered persons comply with FINRA information requests, providing that "[n]o member or

²² Complaint ¶¶ 20-21; Glanzman Decl. ¶¶ 11(a) - (b).

²³ On September 19, 2012, Enforcement sent an additional request for information pursuant to Rule 8210, asking that Milam identify the person who signed the return receipt. Milam did not respond to the September 19 letter.

²⁴ Complaint ¶¶ 22-24; Glanzman Decl. ¶¶ 11(c) - (e).

²⁵ Complaint ¶¶ 25-28; Glanzman Decl. ¶¶ 11(f) - (i).

person shall fail to provide information” requested pursuant to the Rule. The foregoing facts establish that multiple requests for information made over a nine-month period, all concerning the whereabouts of the tournament proceeds, elicited no response from Milam. Accordingly, the Hearing Officer finds that Milam violated Rule 8210. Milam’s violation of Rule 8210 is also a violation of Rule 2010.²⁶

V. Sanctions

A. Misuse of Funds

Enforcement has established that Milam dealt with the tournament funds in an unauthorized manner and in derogation of the country club’s rights of ownership. As stated, this amounts to conversion. For conversion, the Guidelines recommend a bar, regardless of the amount converted.²⁷ In the absence of any showing of mitigating circumstances, Milam will therefore be barred from associating with any FINRA member firm in any capacity.

B. Failure to Respond to Requests for Information

A violation of Rule 8210 is serious because Rule 8210 “provides a means, in the absence of subpoena power, for [FINRA] to obtain from its members information necessary to conduct investigations.”²⁸ The rule thus “is at the heart of the self-regulatory system for the securities industry” and, when members delay their responses or neglect entirely their responsibilities under the rule, they “undermine the ability of [FINRA] to . . . protect the public interest.”²⁹ For these reasons, the Guidelines recommend a bar when an individual does not respond in any

²⁶ See *Michael A. Rooms*, Exchange Act Rel. No. 51467, 2005 SEC LEXIS 728, at *13-14 & n.14 (Apr. 1, 2005) (“efforts to impede [FINRA] investigations violate . . . high standards of commercial honor and just and equitable principles of trade.”), *aff’d*, 444 F.3d 1208 (10th Cir. 2006).

²⁷ *Sanction Guidelines* 36.

²⁸ *Richard J. Rouse*, 51 S.E.C. 581, 584, 1993 SEC LEXIS 1831, at *7 (1993).

²⁹ *Howard Brett Berger*, Exchange Act Rel. No. 58950, 2008 SEC LEXIS 3141, at *13 (Nov. 14, 2008), *pet. denied*, 347 F. App’x 692 (2d Cir. 2009).

manner.³⁰ Again, because there is no evidence of any mitigating facts that would justify a sanction less than a bar, the Hearing Officer finds that Milam should be barred from associating with any FINRA member in any capacity for violating FINRA Rules 8210 and 2010.

VI. Order

Respondent is barred from associating with any FINRA member in any capacity for: (i) misusing funds, in violation of FINRA Rule 2010; and (ii) failing to provide requested information, in violation of FINRA Rules 8210 and 2010. The bars shall become effective immediately if this decision becomes FINRA's final disciplinary action.



Rada Lynn Potts
Hearing Officer

Copies to:

Christopher A. Milam (via overnight courier and first-class mail)
Dale A. Glanzman, Esq. (via email and first-class mail)
Mark A. Koerner, Esq. (via email)
Mark P. Dauer, Esq. (via email)
David R. Sonnenberg, Esq. (via email)

³⁰ *Sanction Guidelines 33.*

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Christopher A. Milam
(CRD No. 5586830),

Respondent.

DISCIPLINARY PROCEEDING
No. 2011027538701

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Christopher A. Milam approached a country club in Iowa to sponsor annual golf tournaments, the proceeds of which would be used to create a college scholarship. The first college scholarship would be awarded following the fifth annual tournament. Milam was responsible for maintaining the funds. The country club, however, decided after the second tournament to use the funds to pay its outstanding debts. Milam refused to give the country club the net proceeds of the golf tournaments, which he had in his possession. Milam also refused the country club's repeated requests for information about how and where he had invested the funds. In addition, Milam refused to respond to FINRA's requests for information and documents concerning what he had done with the funds. Milam's conduct was in violation of FINRA Rules 2010 and 8210.

RESPONDENT AND JURISDICTION

2. Between November 24, 2008 and May 10, 2010, Milam was registered as an Investment Company/Variable Contracts Products Representative with Princor Services Corporation ("Princor"), a FINRA-registered firm. Between August 5, 2010 and April 6, 2011, Milam was registered in the same capacity with Park Avenue Securities LLC ("Park Avenue"), a FINRA-registered firm.

3. Although Milam 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 Milam's registration with Park Avenue, namely, April 6, 2011; and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member, and with failing to 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.

FIRST CAUSE OF ACTION FINRA Rule 2010 Misuse of Funds

4. The Department realleges and incorporates by reference Paragraphs 2 and 3 above.

5. On or about March 9, 2009, Milam gave a presentation to the Board of Directors of a golf country club, located in Iowa, during which Milam proposed that the country club sponsor an annual memorial golf tournament in memory of a certain individual.

6. The Board of Directors accepted Milam's proposals made during the March 9, 2009 presentation. Specifically, the Board of Directors agreed to establish an annual memorial

golf tournament, and to use the net profits from the golf tournaments to establish and maintain a scholarship fund. After the net profits accumulated for the first five years, a high school senior from the local area would be awarded a scholarship from the interest generated from the accumulated net profits, while the use of the principal would be avoided. The net profits were to be kept in a separate account that Milam was to establish, on behalf of the country club.

7. Two memorial golf tournaments were held, one in 2009 and another one in 2010, generating a total net profit of \$3,471.

8. On or about August 16, 2010, in an email to a member of the country club Board of Directors, Milam claimed he had had created an account with an insurance company to deposit the funds from the memorial golf tournament.

9. On or about August 20, 2010, Milam sent a letter to the Board of Directors of the country club, in which he wrote that he had learned that the Board intended to use the net profits from the 2009 and 2010 golf tournaments to pay down debts owed by the country club. Milam advised the Board that he objected to any use of the net profits other than to establish and maintain the scholarship program. Milam further wrote that,

“the funds are kept in a money-market account per the request of the then board President, GT. I was approved to be the facilitator of the funds, separate from the [Country Club] board in order to safeguard the principal and manage the account, so that at the end of the five-year period the interest gained would be sufficient to start distributing the scholarship.”

He closed the letter by writing that he would not provide the Board with the account number for the funds.

10. Between approximately August 11, 2010 and January 20, 2011, members of the Board of Directors and its attorney made repeated attempts to learn where and how Milam invested the net profits from the 2009 and 2010 golf tournaments, and requested Milam return the funds. The Board and its attorney also sought proof from Milam that he had not used the

funds. Milam refused to provide any such information to the Board or its attorney, except to say that he would provide an account statement by January 18, 2011.

11. Milam never informed the country club Board of Directors what he did with the net profits from the 2009 and 2010 golf tournaments, nor did he produce any documents showing how he invested the funds. Further, Milam did not return the funds, as requested.

12. In or about the first quarter of 2011, the local County Sheriff's Office began an investigation into whether criminal charges should be filed against Milam for his use of the funds from the 2009 and 2010 golf tournaments.

13. On or about April 4, 2011, in a letter responding to the local County Sheriff's inquiries, the insurance company where Milam claimed to have established an account wrote that it could not find any account in connection with Milam's name or any name associated with the memorial golf tournament.

14. The County Sheriff's Office filed a Complaint and Affidavit on April 12, 2011, in which Milam was accused of the crime of Theft in the 2nd Degree because he did "[t]ake possession and control of money, which the defendant had in trust, by using or disposing of it in a manner inconsistent with the owner's right to such property." In the Affidavit, the County Sheriff's Office noted that it could not verify that a scholarship fund exists or ever existed. The County Sheriff's Office further noted that the amount of missing funds was estimated to be \$3,471.

15. On April 28, 2011, the local County Attorney filed a Trial Information in the Iowa District Court, formally accusing Milam of Theft in the Second Degree, a class D felony, for misappropriating the proceeds of the memorial golf tournament.

16. On January 31, 2012 Milam entered an Alford plea to Theft in the Fifth Degree, a simple misdemeanor. On the same date, the Iowa District Court entered a deferred judgment to the amended charge.

17. The country club's insurance carrier reimbursed the country club \$3,471. Milam's family reimbursed the insurance company \$3,471.

18. The acts, practices and conduct described above constitute violations of FINRA Rule 2010 by Milam.

**SECOND CAUSE OF ACTION
Violation of FINRA Rules 8210 and 2010
Failure to Respond**

19. The Department realleges and incorporates by reference Paragraphs 2 through 18 above.

20. On or about May 13, 2011, FINRA staff sent a letter to Milam, pursuant to and in accordance with the provisions of FINRA Rule 8210, inquiring about the amended Form U5 filing from Prncor Financial Services, Corp., which reported that Milam was the subject of an internal investigation involving theft. Specifically, FINRA requested a signed statement averring whether Milam misappropriated \$3,471 from the aforementioned golf tournaments and any correspondence or memoranda related to the allegations. The letter was sent via first class and certified mail to Milam's CRD address of record. The first class mailing was not returned, and the certified mailing was returned marked "Return to Sender; Unclaimed; Unable to Forward."

21. On or about June 15, 2011, FINRA staff sent another letter to Milam, pursuant to FINRA Rule 8210, inquiring, as before, into his alleged misappropriation of the \$3,471 from the golf tournaments. FINRA sent the letter via first class and certified mail to the Milam's CRD

address of record. The first class mailing was not returned, and the Certified Mail Return Receipt was returned, but the signature was illegible.

22. On or about August 25, 2011, in a telephone conversation with Milam, Milam told FINRA staff that he had moved from his CRD address of record and did not receive the two FINRA 8210 requests. In the same telephone conversation with FINRA staff, Milam provided an updated address.

23. On or about August 26, 2010, FINRA staff sent a third letter to the updated address requesting the same information as before, pursuant to FINRA Rule 8210, by September 16, 2011. The letter was sent via first class and certified mail to both his CRD address and his last known address. The first class mailing to his last known address was not returned and the receipt for the certified mailing to his known address was returned with the signature "Pam Milam." Neither the first class nor certified mailing to the CRD was returned. FINRA staff called the Post Office and the representative said the records of the mailings are "purged after 90 days."

24. On or about September 19, 2011, FINRA staff sent a fourth letter informing Milam that the most recent letter was sent to both his CRD address of record and the address he personally provided to FINRA staff and that FINRA had not yet received a response. Pursuant to Rule 8210, staff requested that he identify the person who signed the return receipt for the June 15, 2011 letter. He did not respond to this letter.

25. On or about October 4, 2011, Milam's attorney sent a letter to FINRA stating that he was representing Milam in the matter and that the County Attorney's Office filed a charge against Milam for theft.

26. On or about January 10, 2012, FINRA staff sent a letter to Milam's attorney, pursuant to FINRA Rule 8210, requesting copies of all pleadings filed in the criminal action against Milam, correspondence between Milam and his attorney, an accounting of Milam's handling of the golf tournament proceeds, a copy of the check and account statement Milam allegedly sent to the country club Board of Directors, and other documents that would be helpful in the investigation. The letter was sent via first class and certified mail. The first class mailing did not return and a US Postal Tracking report confirmed delivery of the certified mailing.

27. On or about February 1, 2012, a second 8210 request was sent to Milam's attorney requesting the same information as in Paragraph 26 above. The letter was sent via first class and certified mail. The first class mailing was not returned and a US Postal Tracking confirmed delivery of the certified mailing.

28. To date, the Respondent and his attorney have not responded to any of the 8210 requests for the information described above; the time and dates for responding have passed.

29. The acts, practices and conduct described above constitute a violation of FINRA Rules 8210 and 2010 by Milam.

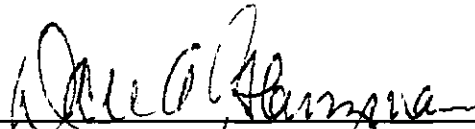
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent Milam committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a) be imposed; and
- C. order that the Respondent(s) 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: August 10, 2012


Dale A. Glanzman, Senior Regional Counsel
Mark A. Koerner, AVP and Regional Chief Counsel
FINRA Department of Enforcement
55 West Monroe Street, 27th Floor
Phone: (312) 899-4312; Fax: (312) 899-4600
Dale.Glanzman@finra.org