

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Joseph Michael Keegan (CRD No.
5494745),

Respondent.

DISCIPLINARY PROCEEDING
No. 2012 033201402

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Joseph Michael Keegan failed to timely respond to FINRA's document and information requests, sent pursuant to FINRA Rule 8210. As a result of the foregoing, Keegan violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Keegan was associated with Wells Fargo Advisors, LLC (Wells Fargo) from March 2008 until Wells Fargo terminated his employment on June 13, 2012. He was registered as an Investment Company Products/Variable Contracts Representative (Series 6) from May 2008 until his termination. Keegan has not been registered or associated with any FINRA member since the termination of his registration. 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 Wells Fargo, namely, July 5, 2012, and (2) the Complaint charges him 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.

FACTS

I. Keegan's Termination

3. While he was associated with Wells Fargo, Wells Fargo Bank (or its predecessors) also employed Keegan.

4. Wells Fargo filed a Uniform Termination Notice for Securities Industry Registration (Form U5) with FINRA on July 5, 2012 reporting that Wells Fargo Bank discharged Keegan because he had "divided deposits in a structured manner and issued a debit card for a bank customer and used the debit card to make deposits into the bank customer's account."

II. Keegan's Untimely Response to the Central Review Group

5. During the course of the FINRA's Central Review Group (CRG) investigation of Keegan activities reported by Wells Fargo, CRG sent Keegan letters on July 27, 2012 and August 13, 2012, pursuant to FINRA Rule 8210, requesting that he provide documents and information concerning the structuring allegations (the "CRG letters"). In accordance with FINRA Rule 8210(d), the CRG letters were sent to Keegan's residential address as listed in the Central Registration Depository ("CRD Address").

6. After Keegan failed to respond to the CRG letters, FINRA's Department of Enforcement (Enforcement) initiated an expedited proceeding against Keegan, pursuant to FINRA Rule 9552. Pursuant to FINRA Rule 9552, Keegan was notified by letter dated

September 28, 2012 that he would be suspended on October 22, 2012 from associating with any FINRA member in any capacity because he failed to provide the information and documents requested in the CRG letters. Keegan was also informed that, if he took corrective action by complying with the requests in the CRG letters before the suspension date, the suspension would not take effect. The September 28, 2012 letter enclosed copies of the CRG letters and was sent via FedEx overnight delivery and first class US mail to Keegan's CRD Address.

7. Pursuant to FINRA Rule 9552, Enforcement notified Keegan by letter sent October 22, 2012 that he was suspended on October 22, 2012 from associating with any FINRA member in any capacity. The October 22, 2012 letter also informed Keegan that if he failed to request termination of suspension by December 31, 2012, he would be automatically barred from associating with any FINRA member in any capacity. The October 22, 2012 letter was sent via FedEx overnight delivery and first class US mail to Keegan's CRD Address.

8. By priority US mail sent to FINRA on November 16, 2012, Keegan, in correspondence dated November 5, 2012, requested that his suspension be terminated and provided what he claimed was "necessary information that was requested." Keegan also provided a current mailing address (Keegan's "Current Address").

III. Keegan's Untimely Response to the Enforcement Department

9. Following termination of Keegan's suspension, Enforcement renewed its investigation. On April 30, 2013, pursuant to FINRA Rule 8210, Enforcement sent Keegan a letter requesting that he provide documents and information concerning the structuring allegations and Keegan's change of address. The letter advised Keegan of his obligation to update his CRD address and provided the mailing address through which to do so. In accordance

with FINRA Rule 8210(d), the April 30, 2013 request letter was sent to Keegan's CRD Address and Current Address.

10. A copy of the April 30, 2013 letter was sent to Keegan via certified return receipt requested US mail and first class US mail and requested that he provide documents and information no later than May 21, 2013. On May 14, 2013, the April 30, 2013 letter sent via certified mail to Keegan's Current Address was returned to Enforcement and marked "unclaimed" by the USPS. On May 22, 2013, the April 30, 2013 letter sent via certified mail to Keegan's CRD Address was returned to Enforcement and marked "unclaimed" by the USPS, but tracking on the USPS website noted that notice was left for Keegan at his CRD Address on May 2, 2013. The April 30, 2013 letters sent via first class mail were not returned to Enforcement.

11. Keegan did not respond to the April 30, 2013 letter, notwithstanding Enforcement's requests to him by email and voicemail (to an email address and a telephone number provided by Keegan) to do so. On May 29, 2013, Keegan informed Enforcement by e-mail that he would "look [at the requests] and reply immediately."

12. On June 14, 2013, having not received a response from Keegan, Enforcement sent another request letter to Keegan, pursuant to FINRA Rule 8210. The letter was sent via certified return receipt requested US mail, first class US mail, and email, and requested that he provide the documents and information previously requested in the April 30, 2013 letter no later than June 24, 2013. A copy of the April 30, 2013 letter was enclosed with the June 14, 2013 letter. USPS returned to Enforcement a signed (but illegible) return receipt for the June 14, 2013 letter sent to Keegan's CRD Address. The June 14, 2013 letter sent via certified mail to Keegan's Current Address was returned to Enforcement and marked "1st Notice," "2^d Notice," and

“Returned” by the USPS. The letter sent via first class mail to his Current Address was not returned to Enforcement.

13. Keegan responded by email on July 10, 2013 to the questions first posed in the April 30, 2013 letter.

IV. Keegan’s Failure to Respond to the Enforcement Department

14. Following Keegan’s untimely response on July 10, 2013, Enforcement sent Keegan letters on October 28, 2013 and November 20, 2013, pursuant to FINRA Rule 8210, requesting that he provide copies of account statements for his personal Wells Fargo bank accounts during the period of the alleged cash deposit structuring. The letters advised Keegan of his obligation to update his CRD address and provided the mailing address through which to do so. In accordance with FINRA Rule 8210(d), the October 28, 2013 and November 20, 2013 request letters were sent to Keegan’s CRD Address and Current Address, and also to the email address provided by Keegan.

15. A copy of the October 28, 2013 letter was sent to Keegan via certified return receipt requested US mail, first class US mail, and email and requested that he provide the bank account statements no later than November 19, 2013. On November 1, 2013, the letter sent via certified mail to Keegan’s CRD Address was returned to Enforcement and marked “forward time exp” by the USPS. On November 21, 2013, the October 28, 2013 letter sent via certified mail to Keegan’s Current Address was returned to Enforcement and marked “1st Notice,” “2d Notice,” “Returned,” and “unclaimed” by the USPS. The October 28, 2013 letter sent via first class mail to Keegan’s CRD Address was returned to Enforcement on November 25, 2013 marked “forward time exp;” the October 28, 2013 letter sent via first class mail to Keegan’s Current Address was not returned to Enforcement.

16. A copy of the November 20, 2013 letter was sent to Keegan via certified return receipt requested US mail, first class US mail, and email, and requested that he provide the documents previously requested in the October 28, 2013 letter no later than December 4, 2013. A copy of the October 28, 2013 letter was enclosed with the November 20, 2013 letter. On November 27, 2013, the letter sent via certified mail to Keegan's CRD Address was returned to Enforcement and marked "forward time exp" by the USPS. The November 20, 2013 letter sent via certified mail to Keegan's Current Address was returned to Enforcement on January 13, 2014 marked "return to sender refused unable to forward." The letters sent via first class mail were not returned to Enforcement.

17. Keegan has not provided Enforcement with any of the bank statements requested, pursuant to FINRA Rule 8210, in the October 28, 2013 and November 20, 2013 requests, thus impeding Enforcement's investigation.

CAUSE OF ACTION

(Failure to Timely and Completely Respond to FINRA's Document and Information Requests—Violations of FINRA Rules 8210 and 2010)

18. The Department realleges and incorporates by reference paragraphs 1 through 17 above.

19. As a result of the foregoing conduct, Respondent 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 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:

February 4, 2014



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