

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Kevin Busto
(CRD No. 2584875),

Respondent.

DISCIPLINARY PROCEEDING
No. 2014041252402

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From June through July 2015, Kevin Busto ("Busto" or "Respondent"), failed to appear twice for on-the-record testimony noticed pursuant to FINRA Rule 8210. As a result, Busto violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Busto first became registered with FINRA through a former member firm as a General Securities Representative ("GSR") in 1996, where he remained until June 1999. Between 1999 and 2007, Busto worked at two other former member firms.

3. In July 2007, Busto joined Citigroup Global Markets Inc. (BD No. 7059) ("CGMI") as a GSR, where he remained until May 15, 2014, the date when CGMI filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") with FINRA,

stating that Busto's was terminated due to "concerns about activity in personal bank account (checks drawn on insufficient funds) – not investment related."

4. Although Respondent is no longer registered with FINRA 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 CGMI, and (2) the Complaint charges him with failing to respond to multiple requests for on-the-record testimony during the two-year period after the filing of his Form U5.

CAUSE OF ACTION

Failure to Cooperate with a FINRA Investigation Violation of FINRA Rules 8210 and 2010

5. The Department realleges and incorporates by reference paragraphs 1 through 4 above.

6. In June 2014, FINRA's Enforcement Department (the "Staff") began an investigation of Busto and the circumstances leading to his termination by CGMI, in connection with his activities in his personal bank account.

7. In February 2015, Busto notified the Staff that his current address was located in Smithtown, NY 11787 ("Current Address"), not the address reflected in the Central Registration Depository ("CRD").

FINRA's First Request for Testimony

8. On June 3, 2015, the Staff sent a letter to Busto requesting that he appear, pursuant to Rule 8210, for an on-the-record testimony at FINRA's office located at One World Financial Center, 200 Liberty Street, New York, NY 10281 on June 11, 2015 at 9:30 AM (the "First Request for Testimony").

9. Pursuant to FINRA Rule 8210, the First Request for Testimony was sent via certified mail, return receipt requested, and first class mail to Busto's current address of record as reflected in the Central Registration Depository ("CRD Address").

10. The First Request for Testimony was also mailed to Busto's Current Address via certified mail, return receipt requested, and first class mail.

11. The First Request for Testimony sent via first class mail to Busto's CRD Address and Current Address were not returned by the U.S. Postal Service (the "USPS")

12. The First Request for Testimony sent via certified mail, return receipt requested, to Busto's CRD Address was returned by the USPS and the envelope was marked as "Return to Sender Unclaimed Unable to Forward."

13. The First Request for Testimony sent via certified mail, return receipt requested, to Busto's Current Address was returned to bearing an illegible signature.

14. Busto did not appear for his on-the-record testimony on June 11, 2015.

FINRA's Second Request for Testimony

15. On July 2, 2015, the Staff sent a second letter to Busto, pursuant to FINRA Rule 8210, requesting that he appear for an on-the-record interview at FINRA's office located at One World Financial Center, 200 Liberty Street, New York, NY 10281 on July 20, 2015 at 10:00 AM (the "Second Request for Testimony").

16. The Second Request for Testimony was sent by certified mail, return receipt requested, and first class mail to Busto's CRD Address and Current Address.

17. The Second Request for Testimony sent via first class mail to both Busto's CRD and Current Addresses were not returned by the USPS.

18. The Second Request for Testimony sent via certified mail, return receipt requested, to Busto's CRD Address was returned by the USPS and the envelope was marked as "Return to Sender Attempted – Not Known Unable to Forward."

19. The Second Request for Testimony sent via certified mail, return receipt requested, to Busto's Current address was returned to FINRA bearing the signature of Kevin Busto, and had "Kevin Busto" written in the Printed Name section of the receipt.

20. Busto did not appear for his on-the-record testimony on July 20, 2015.

21. By failing to provide on-the-record testimony Busto violated FINRA Rules 8210 and 2010.

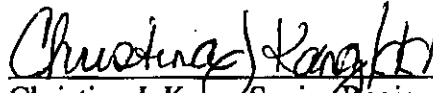
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Busto 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; and
- C. order that Busto 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: December 30, 2015


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