

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

**ALLEN HOLEMAN
(CRD No. 1060910),**

RESPONDENT.

**DISCIPLINARY PROCEEDING
No. 2014043001601**

COMPLAINT

The Department of Enforcement alleges:

Summary

1. The Internal Revenue Service ("IRS") filed tax liens against Allen Holeman on April 23, 2009, September 24, 2009, and May 11, 2011. The liens totaled more than \$116,000, and two remain outstanding. Holeman willfully failed to amend his Form U4 to disclose these events, as required. Holeman thereby violated Article V, Section 2(c) of the FINRA By-Laws, NASD-IM-1000-1, and FINRA Rules 1122 and 2010.
2. Holeman also falsely completed his firm's annual compliance questionnaire, thereby misleading his firm by attesting that there were no liens against him when he knew there were. Holeman thereby violated FINRA Rule 2010.

Respondent

3. Holeman entered the securities industry in 1966 as a Compliance Manager with a member firm. He worked in compliance capacities at two other firms before joining Oppenheimer & Co. Inc. as Chief Compliance Officer in July 2003. He remained in that position until April 2013. Since November 2013, he has been the Chief Compliance Officer of David Lerner Associates.
4. Holeman became registered with the NASD on or about September 16, 1980, when he obtained his Series 4 license. Since then, he has obtained Series 7, 8, 9, 10, 12, 14, 14A, 15, and 24 licenses.

FIRST CAUSE OF ACTION

Willful Failure to Disclose Lien Filings and Failure to Amend Form U4 (Violations of Article V, Section 2 (c) of the FINRA By-Laws, NASD IM-1000-1, and FINRA Rules 1122 and 2010)

5. The Department realleges and incorporates by reference paragraphs 1 through 4 above.
6. An IRS tax lien was filed against Holeman on April 23, 2009 in the amount of \$39,247. That lien was released on April 10, 2013.
7. Another IRS tax lien was filed against Holeman on September 24, 2009 in the amount of \$58,853. This lien remains in effect.
8. A third IRS tax lien was filed against Holeman on May 11, 2011 in the amount of \$18,444. This lien remains in effect.
9. Despite having knowledge and notice of these three lien filings, Holeman failed to timely disclose the lien filings on his Form U4 after the liens were imposed.

10. Holeman's Form U4 was amended by Oppenheimer & Co. Inc. on six occasions between August 2010 and August 2012. None of these amended U4 filings contained any disclosure of the three tax liens in effect at the time.
11. When Holeman became the Chief Compliance Officer of David Lerner Associates, he completed a Form U4, filed on November 16, 2013, in which he falsely answered "No" in response to Question 14M, which asked "Do you have any unsatisfied judgments or liens against you?"
12. Holeman's Form U4 was amended by David Lerner Associates on September 15, 2014 and December 18, 2014. Neither of these amended U4 filings contained any disclosure of the two tax liens in effect at the time.
13. Holeman updated his Form U4 by amendment filed on April 8, 2015 to disclose the existence of the two outstanding tax liens.
14. Article V, Section 2 of FINRA's By-Laws requires that Forms U4 be kept current at all times, and requires the filing of an amendment within 30 days after learning the facts and circumstances giving rise to the amendment.
15. FINRA Rule 1122 and its predecessor, NASD IM-1000-1, prohibit members and associated persons from failing to correct registration filings that are incomplete or inaccurate.
16. Holeman willfully failed to disclose the April 23, 2009, September 24, 2009, and May 11, 2011 tax liens, which are material information, on a timely basis.
17. By reason of the foregoing, Holeman violated Article V, Section 2(c) of the FINRA By-Laws, NASD IM-1000-1 (for conduct prior to August 17, 2009), and FINRA Rule 1122

(for conduct on or after August 17, 2009). By violating those provisions, Holeman also violated FINRA Rule 2010.

SECOND CAUSE OF ACTION

False Completion of Firm's Annual Compliance Questionnaire (Violation of FINRA Rule 2010)

18. The Department realleges and incorporates by reference paragraphs 1 through 17 above.
19. Holeman's current employing firm requires registered representatives to complete an annual compliance questionnaire. Holeman completed and submitted a compliance questionnaire on December 12, 2014. In that questionnaire, Holeman answered "No" to the question, "Do you have any unsatisfied judgments or liens against you?"
20. Holeman misled his firm by falsely completing the annual compliance questionnaire, thus failing to observe high standards of commercial honor and just and equitable principles of trade.
21. By reason of the foregoing, Holeman violated FINRA Rule 2010.

RELIEF REQUESTED

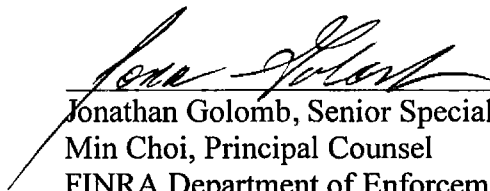
WHEREFORE, the Department respectfully requests that the Panel:

- 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; and

- D. make specific findings that Respondent's conduct, as alleged herein, was willful; the omitted information was material; and the omission to state material facts was on a Form U4 application.

FINRA DEPARTMENT OF ENFORCEMENT

Date: June 13, 2016



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