

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Bo Li
(CRD No. 5711148)

Respondent.

DISCIPLINARY PROCEEDING
No. 2014043420401

HEARING OFFICER:

COMPLAINT

The Department of Enforcement (the "Department") alleges:

SUMMARY

1. Respondent Bo Li ("Li") failed to appear and provide investigative testimony on June 2, 2016, and June 28, 2016, in violation of FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Li entered the securities industry in September 2009, and was registered with two FINRA member firms before becoming associated with J.P. Morgan Securities LLC ("J.P. Morgan Securities") as an Investment Company Products/Variable Contracts Representative, a registration he maintained from October 1, 2012 through November 12, 2014. While associated with J.P. Morgan Securities, Li was also an employee of the firm's bank affiliate, J.P. Morgan Chase Bank, N.A. ("Chase Bank").

3. Although Li is no longer registered or associated with a FINRA member, Li 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 his registration with J.P. Morgan Securities, November 12, 2014, and (2) the Complaint charges him with failing to appear for on-the-record testimony during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

**CAUSE OF ACTION
FAILURE TO APPEAR FOR ON-THE-RECORD TESTIMONY
(FINRA Rules 8210 and 2010)**

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.

5. FINRA Rule 8210(a) provides, in relevant part, that FINRA staff "shall have the right to require a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information . . . and to testify at a location specified by FINRA staff . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding."

6. FINRA Rule 8210(c) states that "no member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule."

7. FINRA staff ("Staff") was investigating whether Li structured transactions into his personal bank accounts for the purpose of evading the filing of a Currency Transaction Report ("CTR"), Financial Crimes Enforcement Network ("FinCEN") Form 104. In general, a CTR must be filed by a financial institution for each deposit, withdrawal, exchange of currency, or other payment or transfer involving a transaction in currency of more than \$10,000. The investigation included an inquiry into whether Li had violated NASD or FINRA Rules in connection with certain deposits made into his personal banking accounts.

8. As part of its investigation, Staff requested Li's on-the-record testimony as detailed below, and he failed to appear for his testimony on two occasions.

First Failure to Appear

9. On or about May 19, 2016, Staff sent a letter to Li, pursuant to FINRA Rule 8210, requesting his on-the-record testimony in connection with the investigation described in Paragraph 7 (the "First Request"). Pursuant to the First Request, Staff requested that Li appear for on-the-record testimony on June 2, 2016, at 9:30 a.m., in FINRA's offices located at 15200 Omega Drive, 3rd Floor, Rockville, MD 20850-3241 ("FINRA's Rockville Office").

10. The First Request was sent by certified mail, return receipt requested, and email. The certified mail letter was sent to Li's residential address in Draper, Utah, as listed in FINRA's Central Registration Depository ("Li's CRD Address"). The email was sent on May 19, 2016, to an email address that Li had used to communicate with Staff on four prior occasions, the last of which had occurred on March 2, 2016 ("Li's Email Address").

11. On or about May 31, 2016, the First Request letter was returned to FINRA by the U.S. Postal Service with the word "Refused" in handwriting and stamped on the envelope.

12. On May 31, 2016, Staff sent a second email to Li's Email Address requesting that he contact Staff concerning his testimony, with a courtesy copy of the First Request attached.

13. Li did not appear for, or provide, on-the-record testimony on June 2, 2016.

Second Failure to Appear

14. On or about June 3, 2016, Staff sent a letter to Li, pursuant to FINRA Rule 8210, requesting Li's appearance for on-the-record testimony in connection with the investigation described in Paragraph 7 (the "Second Request"). Pursuant to the Second Request, Staff

requested that Li appear for on-the-record testimony on June 14, 2016, at 9:30 a.m., in FINRA's Rockville Office.

15. Copies of the Second Request were sent by certified mail, return receipt requested, first class U.S. mail, and email. The certified mail and first class letters were sent to Li's CRD Address. The email was sent to Li's Email Address on June 3, 2016.

16. On June 10, 2016, Staff sent an email to Li's Email Address requesting that he contact Staff.

17. On June 13, 2016, Li contacted Staff by telephone. Li told Staff that he could not appear for testimony on June 14, 2016, and requested that his testimony be rescheduled to June 28, 2016. Staff accepted Li's proposal to reschedule his testimony to June 28, 2016.

18. On June 13, 2016, Staff sent a letter to Li, pursuant to FINRA Rule 8210, rescheduling Li's testimony and requesting that Li appear for on-the-record testimony in connection with the investigation described in Paragraph 7 (the "Third Request"). Pursuant to the Third Request, Staff requested that Li appear for on-the-record testimony on June 28, 2016, at 9:30 a.m., in FINRA's Rockville Office.

19. The Third Request was sent by certified mail, return receipt requested, first class U.S. mail, and email. The certified mail and first class mail letters were sent to Li's CRD Address. The email was sent to Li's Email Address on June 13, 2016.

20. Li did not communicate with Staff after June 13, 2016. On June 28, 2016, Li did not appear for, or provide, on-the-record testimony.

21. Li's failure to provide the requested on-the-record testimony materially impeded Staff's investigation into whether Li may have structured transactions in violation of NASD and/or FINRA Rules.

22. By failing to provide on-the-record testimony pursuant to FINRA Rule 8210 on two occasions, Li 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 Li 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 Li 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: July 21, 2016



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