

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Christopher Frederic Veale
(CRD No. 2536489),

Respondent.

DISCIPLINARY PROCEEDING
No. 2015044099801

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In March 2015, in connection with an examination concerning potential violations of FINRA's rule by Respondent Christopher Frederic Veale, FINRA sent Veale letters requesting, pursuant to FINRA Rule 8210, that he provide written information and documents and on-the-record testimony. Veale has refused to provide the documents, information and testimony requested by FINRA. As a result, Veale has violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Veale first became registered with FINRA through former member firm Stratton Oakmont Inc. (BD No. 18692) as a General Securities Representative ("GSR") in August 1994, where he remained until December 1996. Between 1994 and 2015, Veale worked at 18 member firms including former member firms HJ Meyers & Co., Inc. (BD No. 15609), Sands

Brothers & Co., Ltd (BD No 26816), S.W. Bach & Co. (BD No. 43522), New York Global Securities, Inc. (BD No. 46429), Great Eastern Securities Inc. (BD No. 2061) and John Thomas Financial (BD No. 40982). Veale first became registered with FINRA as a General Securities Principal ("GSP") in 2002 and held that license at each firm he was associated with from that time forward. In May, 2013, Veale joined Legend Securities, Inc. (BD No. 44952) as a GSR and GSP. He remained at Legend until February 20, 2015, the date that Legend filed a Uniform Termination Notice for Securities Industry Registration (Form U5) with FINRA disclosing that Veale's employment was terminated voluntarily as of that date.

3. Although Veale 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 Firm filed Veale's Form, and (2) the Complaint charges him with failing to respond to FINRA requests for information and testimony during the two-year period after the filing of his Form U5.

FACTS

4. In January 2015, FINRA's Member Regulation Department began an examination of Veale. That examination was focused on a review of Veale's outside securities accounts, outside business activities and potential sales practice concerns in Veale's customer accounts, among other matters. The examination also focused on Veale's potential violation of FINRA rules with respect to requirements to disclose certain outstanding liens and judgments on his Uniform Application for Securities Industry Registration or Transfer (Form U4).
5. At the time FINRA began the examination, Veale was registered with FINRA and associated with Legend. FINRA's Member Regulation Department discovered that Veale also was

currently working for a company called Legend Advance Funding ("LAF"). Veale's employment with LAF was not disclosed on his Form U4. According to LAF's current website, its business consists of making Merchant Cash Advances to small to mid-size businesses.

6. On February 20, 2015, shortly after FINRA learned that Veale was working for LAF, Veale resigned from Legend.

Veale Failed to Cooperate with FINRA's Examination by Failing to Respond to Requests for Documents and Testimony

The Requests for Documents and Information

7. On March 11, 2015, FINRA sent Veale a letter, pursuant to FINRA Rule 8210 (the "First Request"). The First Request sought written information and documents concerning Veale's undisclosed employment with LAF, other outside business activities that Veale was engaged in, and several unsatisfied judgments and liens against Veale.
8. The First Request was sent by certified and first class mail to Veale and by email to an address provided by Veale. The First Request required Veale's response on or before March 17, 2015.
9. On March 16, 2015, Veale requested (by telephone) an extension to respond to the First Request. FINRA consented to his request and, Veale confirmed by email sent at 4:13 p.m. on March 16, 2015 that the original due date of March 17, 2015 had been extended to March 20, 2015.
10. As of March 23, 2015, Veale failed to respond to the First Request. Accordingly, on March 24, 2015, FINRA sent Veale a letter, pursuant to FINRA Rule 8210 (the "Second Request"),

requesting that he provide the documents and written information originally requested in the First Request.

11. The Second Request was sent by certified and first class mail to Veale and by email to the address provided by Veale. A response to the Second Request was due on or before March 31, 2015.
12. Veale failed to respond to the First or Second Request.

The Request for On the Record Testimony

13. On March 13, 2015, FINRA sent a request to Veale to appear on March 25, 2015 for on-the-record testimony ("OTR") concerning the subject matter of the exam pursuant to FINRA Rule 8210 (the "OTR Request").
14. The OTR Request was sent to Veale by certified and first class mail and by email to the address provided by Veale. In an email sent on March 18, 2015 at 4:08 pm, Veale acknowledged receiving the OTR Request and confirmed his appearance on March 25, 2015 "as requested in FINRA's March 13, 2015 request letter."
15. Veale failed to appear for his OTR.

Veale's Refusal to Provide Written Information, Documents and Testimony

16. On the morning of March 25, 2015, the day he had agreed to appear for an OTR, Veale sent FINRA an email stating that he would not respond to the Second Request or appear for his OTR as called for in the OTR Request.
17. On March 25, 2015, FINRA staff called Veale concerning his email. Veale confirmed that he would not comply with the OTR Request and that he would not respond to the First and Second Requests.

18. On March 27, 2015, FINRA staff contacted Veale again. Veale again stated that he would not comply with the OTR Request and that he would not respond to the First and Second Requests.
19. Veale's refusal to respond to the outstanding Rule 8210 requests has impeded FINRA's ability to complete its examination.

FIRST CAUSE OF ACTION
Failure to Produce Documents and Information
Violations of FINRA Rules 8210 and 2010

20. The Department realleges and incorporates by reference paragraphs 1-19 above.
21. FINRA Rule 8210 provides that for the purposes of an investigation FINRA staff shall have the right to require a person subject to FINRA's jurisdiction to provide information or testimony "with respect to any matter involved in the investigation, complaint, examination, or proceeding," as well as obtain copies of "the books, records, and accounts" of such person with respect to "any matter" involved in the investigation, complaint, examination or proceeding. Pursuant to FINRA Rule 8210(c), no person "shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule."
22. As set forth above, Veale has refused to produce documents and information responsive to FINRA's First Request and Second Request.
23. As a result of such conduct, Veale violated FINRA Rules 8210 and 2010.

SECOND CAUSE OF ACTION
Failure to Appear for Investigative Testimony
Violations of FINRA Rules 8210 and 2010

24. The Department realleges and incorporates by reference paragraphs 1 through 23 above.

25. As set forth above, Veale has failed to comply with the OTR Request and has stated that he refuses to appear for testimony.

26. As a result of such conduct, Veale 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) be imposed, including that Respondent be required to disgorge fully any and all ill-gotten gains, together with interest, and monetary sanctions; and
- 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: April 29, 2015



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