

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Michael Banjany
(CRD No. 5917243),

Respondent.

DISCIPLINARY PROCEEDING
No. 2015048317802

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Michael Banjany failed to respond to two requests for information and documents made pursuant to FINRA Rule 8210, and failed to appear for testimony requested pursuant to FINRA Rule 8210 on June 30, 2016, July 25, 2016, and December 13, 2016, in violation of FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Banjany first became associated with a FINRA member firm on April 25, 2011, and subsequently associated with five member firms before being associated with J.P. Morgan Securities LLC (the “**Firm**”) from June 29, 2015 until December 21, 2015.
3. On December 21, 2015, the Firm filed a Uniform Termination Notice for Securities Industry Registration (“**Form U5**”) stating that “Banjany deposited checks from an outside financial institution to his personal Chase account without sufficient funds available.”

4. After being terminated by the Firm, Banjany was associated with National Securities Corporation from June 8, 2016 until July 6, 2016, and has not been associated with any member firm since July 6, 2016.
5. Although Banjany 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:
 - a. the Complaint was filed within two years after the effective date of termination of Banjany's registration with FINRA; and
 - b. the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FACTUAL BACKGROUND

6. Subsequent to the filing of the December 21, 2015 Form U5, FINRA commenced an investigation into the circumstances of Banjany's termination from the Firm.
7. On June 7, 2016, FINRA's Department of Enforcement staff sent Banjany a letter addressed to Banjany's Central Registration Depository ("**CRD**") address, for delivery via certified and first-class mail and electronic mail, requesting that he appear for on-the-record testimony at 9:30 AM on June 30, 2016 pursuant to FINRA Rule 8210 ("**First Testimony Request**").
8. The First Testimony Request was delivered to Banjany by certified and electronic mail, and the first-class letter was not returned.
9. On June 15, 2016, Enforcement staff sent Banjany a letter addressed to Banjany's CRD address, for delivery via certified and first-class mail and electronic mail, requesting that

he provide certain information and documents by June 24, 2016 pursuant to FINRA Rule 8210 (“**First Document Request**”).

10. The First Document Request was delivered to Banjany by certified and electronic mail, and the first-class letter was not returned.
11. Without explanation, Banjany failed to appear for on-the-record testimony on June 30, 2016 as requested by the First Testimony Request, and he failed to provide any information or documents as requested by the First Document Request.
12. On July 7, 2016, Enforcement staff sent Banjany a second letter addressed to Banjany’s CRD address, for delivery via certified and first-class mail and electronic mail, requesting that he appear for on-the-record testimony at 10:00 AM on July 25, 2016 pursuant to FINRA Rule 8210 (“**Second Testimony Request**”). The letter referenced Banjany’s failure to appear for testimony on June 30, 2016 and included a copy of the first testimony request letter.
13. The Second Testimony Request was delivered to Banjany by certified and electronic mail, and the first-class letter was not returned.
14. Also on July 7, 2016, Enforcement staff sent Banjany a separate letter addressed to Banjany’s CRD address, for delivery via certified and first-class mail and electronic mail, referencing his failure to respond to the First Document Request in violation of FINRA Rule 8210, and requesting that he provide the requested information and documents by July 21, 2016 (“**Second Document Request**”).
15. The Second Document Request was delivered to Banjany by certified and electronic mail, and the first-class letter was not returned.

16. Without explanation, Banjany failed to appear for testimony on July 25, 2016 as requested by the Second Testimony Request, and he failed to provide any information or documents as requested by the Second Document Request.
17. As a result of Banjany's failure to respond to Enforcement staff's requests for information and documents dated June 7, 2016 and June 15, 2016, and failure to appear for testimony on June 30, 2016 and July 25, 2016, Enforcement staff initiated a FINRA Rule 9552 Proceeding against Banjany.
18. On July 27, 2016, pursuant to Rule 9552, Enforcement staff sent Banjany a Notice of Suspension addressed to Banjany's CRD address, for delivery via certified and first-class mail, attaching copies of the prior requests for testimony and requests for documents.
19. The Notice of Suspension stated, among other things, that Banjany would be suspended from associating with any FINRA member firm in any capacity unless he took corrective action prior to the suspension date of August 22, 2016, and that if he failed to request termination of the suspension by October 31, 2016, he would be automatically barred.
20. Banjany did not respond to Enforcement by the suspension date of August 22, 2016, and he was suspended from associating with any FINRA member firm in any capacity.
21. In mid-October 2016, Banjany contacted Enforcement staff by phone to indicate his willingness to comply with the pending requests pursuant to FINRA Rule 8210.
22. On October 20, 2016, Banjany provided some, but not all, of the documents requested by the pending requests for information and documents.
23. On October 21, 2016, Enforcement staff sent Banjany a third letter addressed to Banjany's CRD address, for delivery via certified mail and electronic mail, requesting

that he appear for on-the-record testimony at 10:00 AM on December 13, 2016 pursuant to FINRA Rule 8210 (“**Third Testimony Request**”).

24. On October 24, 2016, upon Banjany’s representation in phone conversations with staff that he would produce all responsive documents and appear for testimony, Enforcement terminated the suspension imposed by the FINRA Rule 9552 proceeding against Banjany.
25. Without explanation, Banjany failed to appear for testimony on December 13, 2016 as requested by the Third Testimony Request. Likewise, he still has not fully responded to the staff’s document requests made pursuant to Rule 8210.

FIRST CAUSE OF ACTION
FAILURE TO TIMELY RESPOND TO REQUESTS FOR INFORMATION AND TESTIMONY
(FINRA Rules 8210 and 2010)

26. The Department re-alleges and incorporates by reference paragraphs 1 through 24.
27. FINRA Rule 8210(a) provides that for purposes of an investigation, FINRA staff has the right to require a person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically and to testify at a location specified by FINRA staff.
28. FINRA Rule 8210(c) provides that, “[n]o member or person shall fail to provide information or testimony... pursuant to this Rule.”
29. FINRA Rule 8210(d) specifies that notice under Rule 8210 shall be deemed received by the person to whom it is directed by mailing or otherwise transmitting the notice to the last known residential address of the person as reflected in CRD.
30. On three occasions between June 7, 2016 and December 13, 2016, Banjany failed to appear for on-the-record testimony requested by FINRA pursuant to FINRA Rule 8210 without explanation and without having been excused by FINRA, and to date he has not contacted FINRA staff to provide any explanation or re-schedule the testimony.

31. Banjany also failed to provide documents requested by FINRA pursuant to FINRA Rule 8210 without explanation and without having been excused by FINRA.
32. By failing to appear and provide testimony and by failing to provide full and complete responses to requests for information and documents requested pursuant to FINRA Rule 8210, Banjany 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 Banjany committed the violations charged and alleged in this Complaint;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- C. order that Banjany 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: March 6, 2017



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