

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Amanda Justine Sarabia
(CRD No. 6437164),

Respondent.

DISCIPLINARY PROCEEDING
No. 2018057635002

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In March 2018, Enforcement initiated an investigation into allegations that Amanda Justine Sarabia ("Sarabia"), an associated employee with Northwestern Mutual Investment Services LLC ("NMIS" or the "Firm"), a FINRA regulated broker-dealer, converted funds from a Firm co-worker. In connection with the investigation, between July 2018 and March 2019, Enforcement requested, pursuant to FINRA Rule 8210, that Sarabia provide documents and information, and appear and provide testimony. Sarabia failed to comply with these requests, in violation of FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Sarabia entered the securities industry in 2015 when she became associated with NMIS as a non-registered fingerprint person ("NRF"). From 2015 through 2018, Sarabia worked as a non-registered assistant in the El Paso, Texas branch office of NMIS. Sarabia was

responsible for, and assisted with, various tasks including logging and forwarding customer securities checks to a Firm supervisor. In this capacity, Sarabia also had access to confidential customer information.

3. In February 2018, the Firm filed a Rule 4530 disclosure report stating that Sarabia's employment was terminated based on her alleged theft of \$200 by stealing a co-worker's blank check, making the check payable to cash, and cashing the check.

4. Although Sarabia is no longer registered or associated with a FINRA member, she 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 association with the Firm, namely, February 2, 2018, and (2) the Complaint charges her with failing to respond to a FINRA request for information and documents, and failing to appear and provide testimony during the two-year period after the date upon which she ceased to be registered or associated with a FINRA member.

**CAUSE OF ACTION
FAILURE TO COMPLY WITH FINRA REQUESTS FOR
DOCUMENTS AND INFORMATION, AND TESTIMONY
(FINRA RULES 8210 AND 2010)**

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

6. FINRA Rule 8210(a)(1) requires a "member, person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically . . . and to testify at a location specified by FINRA staff . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding . . ." FINRA Rule

8210(c) similarly provides that “[n]o member or person shall fail to provide information or testimony . . . pursuant to this Rule.”

7. FINRA Rule 2010 states that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.” A violation of FINRA Rule 8210 is also a violation of FINRA Rule 2010.

8. On July 16, 2018 and August 3, 2018, Enforcement sent letters pursuant to FINRA Rule 8210, requesting that Sarabia appear and provide testimony at a court reporter’s office in El Paso, Texas, on August 1, 2018 and August 14, 2018, respectively. The FINRA 8210 letters also requested that Sarabia complete and return to Enforcement staff a pre-testimony questionnaire (the “Questionnaire”) by July 30, 2018 and August 10, 2018, respectively. Enforcement sent these letters to Sarabia’s last known residential address as reflected in the Central Registration Depository (“CRD”) and to a second address identified as belonging to Sarabia (the “Alternate Address”).

9. The letters sent to Sarabia on July 16 and August 3, 2018, also advised that “failure to provide any information requested by [Enforcement] staff, could violate Rule 8210 and could be the basis for the initiation of a disciplinary proceeding that could lead to the imposition of sanctions, including a bar from the industry, suspension, censure and/or fine.”

10. Sarabia acknowledged receipt of each of these letters in telephone conversations with Enforcement staff. During Sarabia’s second telephone conversation with Enforcement staff, she stated that she would not appear and provide testimony on the scheduled date.

11. Sarabia failed to complete and return the Questionnaire, and also failed to appear for testimony as requested by the letters sent on July 16 and August 3, 2018.

12. On February 6, 2019, Enforcement caused Sarabia to be personally served with another letter issued pursuant to Rule 8210 (the "February 6 Rule 8210 Letter"). Sarabia was served at a third residential address Sarabia previously provided to Enforcement, which was not her address listed in CRD nor the Alternate Address. The February 6 Rule 8210 Letter again requested that Sarabia complete and return the Questionnaire by February 26, 2019, and appear and provide testimony on February 28, 2019, in El Paso, Texas.

13. The February 6 Rule 8210 Letter also advised that "failure to provide any information requested by [Enforcement] staff, could violate Rule 8210 and could be the basis for the initiation of a disciplinary proceeding that could lead to the imposition of sanctions, including a bar from the industry, suspension, censure and/or fine."

14. Sarabia failed to complete and return the Questionnaire by February 26, 2019, and also failed to appear and provide testimony on February 28, 2019 as requested by the February 6 Rule 8210 Letter.

15. To date, Sarabia has not provided the completed Questionnaire, and has not appeared and provided testimony in connection with Enforcement's investigation of this matter.

16. By reason of the foregoing, Sarabia failed to provide the documents and information and the testimony requested in connection with a FINRA investigation, in violation of FINRA Rules 8210 and 2010.

17. The acts, practices, and conduct described above constitute separate and distinct violations of FINRA Rules 8210 and 2010.

RELIEF REQUESTED

WHEREFORE, the Department of Enforcement 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, 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: _____

4-18-19



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