

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

Department of Enforcement,

Complainant,

v.

Blair Olsen
CRD No. 1545765,

Respondent.

Disciplinary Proceeding
No. 2018058798802

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Blair Olsen willfully failed to amend his Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose, or to timely disclose, criminal felony charges. As a result, Olsen violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

2. When FINRA investigated Olsen's failure to disclose and to timely disclose his felony charges on his Form U4, Olsen failed to provide information and documents that FINRA had requested pursuant to FINRA Rule 8210. As a result, Olsen violated FINRA Rules 8210 and 2010.

3. Olsen then failed to appear for on-the-record testimony that FINRA had requested pursuant to FINRA Rule 8210. As a result, Olsen violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

4. Olsen first became registered with FINRA in November 1986. From January 3, 2017 to July 18, 2019, Olsen was registered with FINRA as an Investment Company and

Variable Contracts Products Representative through an association with Lincoln Investment (CRD No. 519).

5. On July 18, 2019, Lincoln Investment filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that Olsen was terminated for a “[f]ailure to provide information requested pursuant to FINRA [R]ule 8210 by stated deadline.”

6. Although Olsen 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 (1) the Complaint was filed within two years after July 18, 2019, which was the effective date of termination of Olsen’s registration with Lincoln Investment, and (2) the Complaint charges him with both (i) misconduct committed while he was registered or associated with a FINRA member, and (ii) failing to respond to FINRA requests for information and documents and failing to appear for on-the-record testimony during the two-year period after the date on which he ceased to be registered or associated with a FINRA member.

FACTS

I. Olsen Failed to Amend his Form U4 to Disclose, or Timely Disclose, Criminal Felony Charges.

The First Indictment

7. On or about March 5, 2018, while registered through Lincoln Investment, Olsen was indicted on seven counts of aggravated harassment, in violation of Section 13-2921.01 of the Arizona Criminal Code, in Superior Court, Maricopa County, Arizona (the First Indictment).

8. An arrest warrant was executed for these charges on March 22, 2018, resulting in Olsen’s arrest. Olsen, while acting as his own counsel, posted bond and was released. Conditions of his release included wearing an ankle bracelet.

9. Olsen appeared in court on the First Indictment on the following days in 2018: March 27, May 8, June 5, July 5, August 8, August 31, September 14, November 13, December 12, and December 19.

10. An aggravated harassment charge under Section 13-2921.01 is a felony under the Arizona Criminal Code.

11. At all relevant times, Question 14A(1)(b) of FINRA's Form U4 asked: "Have you ever: . . . been *charged* with any *felony*?" (emphasis in original).

12. After Olsen was charged by the First Indictment in March 2018, he did not amend his Form U4 within 30 days to disclose the seven felonies charged in the First Indictment.

13. Olsen failed to inform Lincoln Investment of his arrest or the felony charges in the First Indictment. On May 11, 2018, Lincoln Investment learned of the First Indictment when a customer contacted the firm after learning on the internet that Olsen had been arrested.

14. On May 14, 2018, Lincoln Investment prepared a draft Form U4 for Olsen to disclose the criminal matter. On May 15, 2018, Olsen responded by questioning the need for a Form U4 amendment, saying that he had not pled guilty to a felony.

15. On May 17, 2018, Lincoln Investment filed an amended Form U4 for Olsen. Olsen's answer to Question 14A(1)(b) changed to "yes" and he disclosed a pending case with a docket number ending in -1319 (*i.e.*, the First Indictment). In the "Criminal Charge Details" portion of the Form U4, in response to "[Number] of Counts," Olsen's response was "1."

16. On May 18, 2018, FINRA's Registration and Disclosure department (RAD) sent to Lincoln Investment a disclosure letter requesting court documents pertaining to Olsen's criminal matter.

17. On June 7, 2018, after receiving the indictment against Olsen, RAD sent to Lincoln Investment another disclosure letter requesting that the “Criminal Charge Details” portion of the Form U4 to be updated to include details of all seven counts.

18. On July 3, 2018, Lincoln Investment filed an amended Form U4 for Olsen. Olsen’s answer to Question 14A(1)(b) remained “yes.” Olsen continued to disclose a pending case with a docket number ending in -1319 (*i.e.*, the First Indictment), but he revised his response to “[Number] of Counts” to “7.”

The Second Indictment

19. On or about May 18, 2018, while registered through Lincoln Investment, Olsen was indicted in a new criminal matter with one count of aggravated harassment, in violation of Section 13-2921.01 of the Arizona Criminal Code, in Superior Court, Maricopa County, Arizona (the Second Indictment).

20. The Second Indictment bore a new docket number, ending in -2042.

21. Olsen appeared in court on the Second Indictment on the following days in 2018 and 2019: August 3 (an arraignment hearing at which Olsen was represented by counsel and pled not guilty), August 8, August 31, September 14, November 13, December 12, and December 19, 2018, and May 1, 2019.

22. After Olsen was charged by the Second Indictment in May 2018, he did not amend his Form U4 within 30 days to disclose the felony charged in the Second Indictment.

23. The July 3, 2018 amended Form U4, alleged above, was materially incomplete because Olsen failed to disclose that he had been charged with another felony in the Second Indictment. The July 3, 2018 amended Form U4 likewise failed to list the new docket number for the Second Indictment, ending in -2042, in the field “Docket/Case#.”

24. Lincoln Investment filed amended Forms U4 on Olsen's behalf on December 26, 2018, January 14, 2019, April 5, 2019, May 20, 2019, and June 6, 2019. None of those amended Forms U4 disclosed the felony charged in the Second Indictment.

25. Olsen never amended his Form U4 to disclose the felony charged in the Second Indictment.

II. Olsen Failed to Provide Information and Documents in Response to FINRA Rule 8210 Requests.

26. On May 30, 2019, as part of an investigation into whether Olsen failed to disclose and to timely disclose his felony charges on his Form U4, FINRA sent a letter pursuant to FINRA Rule 8210 to Olsen, through his attorney (the Initial 8210 Request). The Initial 8210 Request sought the following items:

- a) Any communications between Olsen and Lincoln Investment relating to the May 2018 felony charge [the Second Indictment] and/or disclosure of the felony charge on Olsen's Form U4 (Item No. 6);
- b) A copy of the May 2018 indictment [the Second Indictment] (Item No. 7);
- c) An explanation why Olsen had not yet amended his Form U4 to disclose his May 2018 felony charge [the Second Indictment] (Item No. 8);
- d) All documents in Olsen's possession, custody, or control relating to the March 2018 criminal charges [the First Indictment] (Item No. 9);
- e) All documents in Olsen's possession, custody, or control relating to the May 2018 criminal charge [the Second Indictment] (Item No. 10);
- f) An explanation whether Olsen was in court at the time of the March 2018 criminal charges [the First Indictment] (Item No. 11); and

g) An explanation whether Olsen was in court at the time of the May 2018 criminal charge [the Second Indictment] (Item No. 12).

27. The items requested in the Initial 8210 Request were within Olsen's possession, custody, and control.

28. FINRA sent Olsen the Initial 8210 Request through his attorney by certified mail, return receipt requested, and by electronic mail to the attorney's business and personal email addresses. Olsen's response to the Initial 8210 Request was due on or before June 13, 2019.

29. Olsen's attorney received the Initial 8210 Request and contacted FINRA to request an extension of the due date. FINRA extended the due date until June 21, 2019.

30. Olsen has admitted that he received this request letter but considered the requests "utterly inane and irrelevant."

31. Olsen did not provide any information or documents to FINRA in response to the Initial 8210 Request by June 21, 2019, nor did he or his attorney contact FINRA about a further extension of the due date.

32. On June 28, 2019, FINRA sent Olsen a second letter pursuant to FINRA Rule 8210, requesting that Olsen provide the same items requested in the Initial 8210 Request (the Second 8210 Request). The Second 8210 Request appended the Initial 8210 Request.

33. FINRA sent Olsen the Second 8210 Request through his attorney by certified mail, return receipt requested, and by electronic mail to the attorney's business and personal email addresses.

34. The Second 8210 Request advised Olsen that as a result of his failure to respond to the Initial 8210 Request, "you may be in violation of FINRA Rule 8210." The Second 8210 Request further warned Olsen that if he failed to deliver the requested information "by **July 12,**

2019, [he] may be subject to the institution of an expedited or formal disciplinary proceeding leading to sanctions, including a bar from associating with any FINRA member firm” (emphasis in original).

35. Olsen did not provide any information or documents to FINRA in response to the Second 8210 Request by July 12, 2019, nor did he or his attorney contact FINRA about the Second 8210 Request on or before its deadline.

36. On July 25, 2019, FINRA sent Olsen and his attorney a letter pursuant to FINRA Rule 9552 notifying Olsen that he was being suspended effective August 19, 2019, based on his failure to respond to the Initial and Second 8210 Requests (the Notice of Suspension). The Notice of Suspension further notified Olsen that if he took corrective action by complying with the Initial and Second 8210 Requests before August 19, 2019, the suspension would not take effect. The Notice of Suspension also informed Olsen that he could request a hearing.

37. Olsen failed to comply with the Initial and Second 8210 Requests by August 19, 2019 and failed to otherwise respond to the Notice of Suspension or request a hearing.

38. On August 19, 2019, FINRA sent Olsen and his attorney a letter notifying Olsen that he was suspended from associating with any FINRA member in all capacities and that he would be barred from associating with any FINRA member in all capacities effective October 28, 2019. The August 19 letter further notified Olsen that he could file a written request for termination of the suspension by October 25, 2019 based on his full compliance with the Initial and Second 8210 Requests.

39. On October 28, 2019, Olsen, through his attorney, requested an extension until November 8, 2019 to respond to the Notice of Suspension. FINRA agreed to that extension.

40. On November 8, 2019, Olsen, through his attorney, provided a partial, limited response to the Initial and Second 8210 Requests. Olsen only responded to Item Number 9 of FINRA's Initial and Second 8210 Requests. Olsen did not respond to Item Numbers 6, 7, 8, 10, 11, or 12.

41. On November 18, 2019, FINRA sent Olsen and his attorney a letter notifying Olsen that he was barred from associating with any FINRA member in all capacities based on his failure to fully comply with the Initial and Second 8210 Requests.

42. On or about December 11, 2019, Olsen filed a *pro se* notice of an application of review of FINRA's regulatory action to the United States Securities and Exchange Commission.

43. Olsen's attorney ceased representing Olsen by no later than December 11, 2019.

44. On July 6, 2020, FINRA sent Olsen a letter notifying him that FINRA had vacated his bar, but that he would remain suspended until he fully complied with the Initial and Second 8210 requests (the Letter Vacating the Bar).

45. FINRA sent Olsen the Letter Vacating the Bar by first class mail and by certified mail, return receipt requested, to Olsen's last known residential address as reflected in CRD (the CRD Address). FINRA also sent Olsen the Letter Vacating the Bar by first class mail and by certified mail, return receipt requested, to a slightly different address that Olsen had earlier provided to FINRA Staff (the Alternate Address).

46. The certified mailings containing the Letter Vacating the Bar sent to the Alternate Address and Olsen's CRD Address were returned to FINRA on August 24, 2020, and September 9, 2020, respectively. The United States Postal Service tracking website indicates that notices were left for the letters, but ultimately they were unclaimed and returned to sender. The first class mailings were not returned to FINRA.

47. Olsen has failed to provide any additional documents or information requested in the Initial and Second 8210 Requests.

48. As of the date of this Complaint, Olsen has not provided a response to Item Numbers 6, 7, 8, 10, 11 and 12 of FINRA's Initial and Second 8210 Requests.

III. Olsen Failed to Appear for OTR Testimony Requested by FINRA.

49. On September 10, 2020, FINRA sent a letter to Olsen pursuant to FINRA Rule 8210 requesting his appearance for on-the-record (OTR) testimony on September 17, 2020 (the September 10 OTR Request).

50. FINRA sent Olsen the September 10 OTR Request by first class mail and by certified mail, return receipt requested, to Olsen's CRD Address and the Alternate Address, and by electronic mail to the email address that Olsen used for his SEC appeal.

51. The certified mailings containing the September 10 OTR Request sent to Olsen's CRD Address and the Alternate Address were returned to FINRA on October 21, 2020. The United States Postal Service tracking website indicates that notices were left for the letters, but ultimately they were unclaimed and returned to sender. The first class mailings were not returned to FINRA.

52. The email attaching the September 10 OTR Request was not returned or rejected as undeliverable.

53. Olsen failed to appear for the OTR on September 17, 2020 or contact FINRA about his appearance.

54. On November 23, 2020, FINRA sent a letter to Olsen pursuant to FINRA Rule 8210 requesting his appearance for an OTR on December 4, 2020 (the November 23 OTR Request).

55. FINRA sent Olsen the November 23 OTR Request by first class mail and by certified mail, return receipt requested, to Olsen's CRD Address and the Alternate Address, and by electronic mail to the email address that Olsen used for his SEC appeal.

56. The certified mailing containing the November 23 OTR Request that was sent to the Alternate Address was returned to FINRA on January 6, 2021. The United States Postal Service tracking website indicates that a notice was left for the letter, but ultimately it was unclaimed and returned to sender. The certified mailing containing the November 23 OTR Request that was sent to Olsen's CRD Address was not returned to FINRA. The first class mailings were not returned to FINRA.

57. The email attaching the November 23 OTR Request was not returned or rejected as undeliverable.

58. Olsen failed to appear for the OTR on December 4, 2020 or contact FINRA about his appearance.

FIRST CAUSE OF ACTION

Willful Failure to Disclose or Timely Disclose Reportable Events on Form U4 (Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010)

59. The Department of Enforcement realleges and incorporates by reference all preceding paragraphs.

60. Article V, Section 2(c) of FINRA's By-Laws requires registered representatives to keep their Form U4 "current at all times," and provides that amendments to a Form U4 must be filed "not later than 30 days after learning of the facts or circumstances giving rise to the amendment."

61. FINRA Rule 1122 prohibits members and associated persons from filing with FINRA information regarding registration "which is incomplete or inaccurate so as to be

misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof.”

62. A violation of Article V, Section 2(c) of FINRA’s By-Laws and FINRA Rule 1122 also is a violation of FINRA Rule 2010, which requires associated persons to “observe high standards of commercial honor and just and equitable principles of trade.”

63. Olsen knew about the First Indictment no later than March 22, 2018, when he was arrested.

64. Olsen failed to timely amend his Form U4 to disclose the seven aggravated harassment felonies charged against him in the First Indictment.

65. Olsen amended his Form U4 on May 17, 2018, to disclose the First Indictment.

66. Olsen knew about the Second Indictment no later than August 3, 2018, when he appeared in court on the felony charged in that indictment and pled not guilty.

67. Olsen never disclosed the felony charged in the Second Indictment on his Form U4.

68. Olsen amended his Form U4 on December 26, 2018, January 14, 2019, April 5, 2019, May 20, 2019, and June 6, 2019, but they were incomplete and inaccurate because Olsen failed to disclose that he had been charged with the felony in the Second Indictment.

69. The aggravated harassment felonies charged in the First and Second Indictments were material information.

70. Olsen’s failure to disclose or to timely disclose the felonies charged in the First and Second Indictments on his Form U4 was willful.

71. By willfully failing to amend and to timely amend his Form U4 to disclose the First and Second Indictments, Olsen violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

**SECOND CAUSE OF ACTION
Failure to Provide Information and Documents
(FINRA Rules 8210 and 2010)**

72. The Department of Enforcement realleges and incorporates by reference paragraphs one through 58.

73. FINRA Rule 8210(a)(1) provides that FINRA may "require a . . . person associated with a member or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in [an] investigation, complaint, examination or proceeding[.]"

74. FINRA Rule 8210(c) provides that "[n]o member or person shall fail to provide information . . . pursuant to this Rule."

75. A violation of FINRA Rule 8210 also constitutes a violation of FINRA Rule 2010.

76. On May 30, 2019, FINRA sent Olsen the Initial 8210 Request pursuant to FINRA Rule 8210 requesting that he provide information and documents in connection with FINRA's investigation of his felony charges.

77. FINRA properly served Olsen with the Initial 8210 Request.

78. Olsen failed to respond to the Initial 8210 Request by its deadline.

79. On June 28, 2019, FINRA sent Olsen the Second 8210 Request pursuant to FINRA Rule 8210 requesting that he provide the same information and documents sought by the Initial 8210 Request.

80. FINRA properly served Olsen with the Second 8210 Request.

81. Olsen failed to respond to Second 8210 Request by its deadline.

82. On November 8, 2019, after the initiation of a proceeding pursuant to FINRA Rule 9552, Olsen, through his attorney, provided a partial, limited response to the Initial and Second 8210 requests. Olsen responded only to Item Number 9. Olsen failed to provide a response to Item Numbers 6, 7, 8, 10, 11, and 12.

83. As of the date of this Complaint, Olsen has failed to respond to Item Numbers 6, 7, 8, 10, 11, and 12 of the Initial and Second 8210 Requests.

84. The Initial and Second 8210 Requests sought information and documents that were material to FINRA's investigation of Olsen's failure to disclose and to timely disclose the felonies charged by First and Second Indictments on his Form U4.

85. By failing to produce information and documents requested pursuant to FINRA Rule 8210, Olsen violated FINRA Rules 8210 and 2010.

**THIRD CAUSE OF ACTION
Failure to Appear for Testimony
(FINRA Rules 8210 and 2010)**

86. The Department of Enforcement realleges and incorporates by reference paragraphs one through 58 and 72 through 85.

87. FINRA Rule 8210(a)(1) provides that FINRA may "require a . . . person associated with a member or any other person subject to FINRA's jurisdiction . . . to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested with respect to any matter involved in [an] investigation, complaint, examination or proceeding[.]"

88. On September 10, 2020, FINRA sent the September 10 OTR Request to Olsen pursuant to FINRA Rule 8210 requesting his appearance for an OTR on September 17, 2020.

89. FINRA properly served Olsen with the September 10 OTR Request.

90. Olsen failed to appear for the OTR on September 17, 2020 or contact FINRA about his appearance.

91. On November 23, 2020, FINRA sent the November 23 OTR Request to Olsen pursuant to FINRA Rule 8210 requesting his appearance for an OTR on December 4, 2020.

92. FINRA properly served Olsen with the November 23 OTR Request.

93. Olsen failed to appear for the OTR on December 4, 2020 or contact FINRA about his appearance.

94. Olsen's OTR testimony was material to FINRA's investigation of Olsen's failure to disclose and to timely disclose the felonies charged by First and Second Indictments on his Form U4.

95. By failing to appear for OTR testimony requested by FINRA pursuant to Rule 8210, Olsen violated 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), including monetary sanctions, be imposed;
- C. order that Respondent bears such costs of this 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 in the First Cause of Action, was willful; that the omitted information was material; and that the omission to state material facts was on a Form U4.

FINRA DEPARTMENT OF ENFORCEMENT

Date: June 16, 2021

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