

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

Department of Enforcement,

Complainant,

v.

Michael Charles Grande
CRD No. 1219255,

Respondent.

Disciplinary Proceeding
No. 2018060128401

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. On November 13, 2023, and November 28, 2023, FINRA sent Respondent Michael Charles Grande (“Grande”) request letters pursuant to FINRA Rule 8210, requiring him to provide information related to mutual fund transactions that he recommended to customers. Grande failed to provide information in response to these requests. As a result, Grande violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Grande first registered with FINRA through association with a FINRA member firm in March 1984 and remained registered with FINRA through associations with several FINRA member firms until May 31, 2022. In November 2005, Grande registered as a General Securities Representative (“GS”) through his association with Newbridge Securities Corporation (CRD No. 104065).

3. On May 31, 2022, Newbridge Securities filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”) disclosing that Grande had voluntarily terminated his association with the firm.

4. Grande has not been associated with a FINRA member firm since May 31, 2022.

5. Although Grande 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 May 31, 2022, which was the effective date of termination of Grande’s registration with Newbridge Securities, and (2) the Complaint charges Grande with failing to respond to FINRA requests for information during the two-year period after the date on which he ceased to be registered or associated with a FINRA member.

CAUSE OF ACTION
Failure to Provide Information
(Violation of FINRA Rules 8210 and 2010)

6. The Department of Enforcement realleges and incorporates by reference all prior paragraphs.

7. FINRA Rule 8210(a)(1) states, in relevant part, that FINRA Staff 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 [a FINRA] investigation . . .”

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

9. FINRA Rule 8210(d) specifies that notice under Rule 8210 shall be deemed received by a currently or formerly registered person to whom it is directed by mailing or

otherwise transmitting the notice to the last known residential address of the registered person as reflected in FINRA's Central Registration Depository System ("CRD").

10. FINRA Rule 2010 requires persons associated with a FINRA member, in the conduct of their business, to "observe high standards of commercial honor and just and equitable principles of trade."

11. Conduct that violates FINRA Rule 8210 also violates FINRA Rule 2010.

12. FINRA Staff was conducting an investigation into the suitability of Grande's recommendations between July 2017 and May 2022 to nine of his customers to engage in short-term trading of mutual funds.

13. On November 13, 2023, FINRA, in connection with its investigation and pursuant to FINRA Rule 8210, sent Grande a request for information related to various mutual fund transactions that Grande had recommended to his customers (the "First Information Request").

14. FINRA's First Information Request was sent via first-class U.S. mail and Federal Express, signature required, to Grande's last known residential address as reflected in CRD ("the CRD Address") and provided a due date of November 27, 2023. The First Information Request required Grande to provide responsive information via email.

15. FINRA's First Information Request was delivered by Federal Express to the CRD Address on November 15, 2023.

16. On November 15, 2023, FINRA Staff called Grande after he left a voicemail asking to speak about the First Information Request. During that call, Grande stated that he did not have access to the paperwork related to the customers identified in the First Information Request and that he could not recall the specific strategies that were in place for the nine identified customers during the review period. Staff explained to Grande that he was required to

submit a written response to the First Information Request. Grande stated that he needed time to think about how he was going to respond.

17. Grande failed to respond to FINRA's First Information Request by November 27, 2023, and he did not request an extension of time to respond.

18. On November 28, 2023, FINRA, in connection with its investigation and pursuant to FINRA Rule 8210, sent Grande a second request for the same information requested in the First Information Request (the "Second Information Request").

19. FINRA's Second Information Request was sent via first-class U.S. mail and Federal Express, signature required, to the CRD Address. The Second Information Request provided a due date of December 12, 2023, and stated that Grande's failure to respond could result in disciplinary action, including a bar from the securities industry.

20. FINRA's Second Information Request was delivered by Federal Express to the CRD Address on November 30, 2023.

21. Between November 21, 2023, and December 12, 2023, FINRA Staff called Grande on three separate days. Grande did not answer any of these calls. FINRA Staff left a voicemail each time, and Grande did not return any of Staff's calls.

22. Grande failed to respond to FINRA's Second Information Request by December 12, 2023, and he did not request an extension of time to respond.

23. To date, Grande has failed to provide information in response to the First Information Request or the Second Information Request.

24. The First and Second Information Requests sought material information about the suitability of Grande's mutual fund transactions and his failure to provide the requested

information significantly impeded the completion of FINRA's investigation into his potential misconduct.

25. By failing to provide the information requested in the First and the Second Information Requests, Grande 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; 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 24, 2024



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