

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

Department of Enforcement,

Complainant,

v.

Yousuf Saljooki
CRD No. 5045123,

Respondent.

Disciplinary Proceeding
No. 2019063626702

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Yousuf Saljooki failed to provide information and documents, and failed to appear for on-the-record testimony, that FINRA Staff had requested pursuant to FINRA Rule 8210. As a result, Saljooki violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Saljooki first became registered with FINRA as a General Securities Representative in January 2006. Saljooki was registered through a number of FINRA member firms from January 2006 through December 2017.

3. From December 22, 2017 through April 20, 2018, Saljooki was registered with FINRA as a General Securities Representative through an association with Worden Capital Management LLC (CRD No. 148366) (“Worden” or the “Firm”). On April 20, 2018, Worden filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”), disclosing that it had discharged Saljooki after he “became subject to a Statutory Disqualification on April 13, 2018.”

4. Although Saljooki 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 April 20, 2018, which was the effective date of termination of Saljooki's registration with the Firm, and (2) the Complaint charges Saljooki with failing to respond to FINRA requests for information and with 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

5. In approximately August 2019, FINRA opened an investigation of Representative A, an individual registered with FINRA. During its investigation, FINRA Staff identified evidence that Representative A had failed to provide his firm with prior written notice of multiple outside business activities, including activities involving Company 1 and Company 2. Specifically, FINRA Staff identified evidence that Representative A may have been affiliated with Company 1 and that Company 1 was the subject of an investigation.

6. FINRA Staff took on-the-record testimony of Representative A on January 9, 2020. During that testimony, Representative A testified that Company 1 and Company 2 operated out of the same office space that Representative A used to conduct his securities business. Representative A further testified that Saljooki, to whom he was related, also worked out of the same office space as Representative A, Company 1, and Company 2, and that Saljooki had conducted business activities through Companies 1 and 2.

7. Saljooki did not disclose to the Firm any outside business activities involving Company 1 or Company 2.

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

8. The Department of Enforcement realleges and incorporates all previous paragraphs.

9. FINRA Rule 8210(a)(1) provides that FINRA Staff may “require a . . . person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in [an] investigation.”

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

11. FINRA Rule 2010 requires persons associated with a FINRA member to “observe high standards of commercial honor and just and equitable principles of trade.”

12. Failing to provide information and documents requested pursuant to FINRA Rule 8210 is a violation of FINRA Rules 8210 and 2010.

13. On January 15, 2020, FINRA Staff sent Saljooki a letter pursuant to FINRA Rule 8210 requesting that he provide information and documents in connection with FINRA’s investigation (the “January 15 Request”), including, but not limited to, a description of the business purposes of Companies 1 and 2, and of Saljooki’s role with each company.

14. FINRA Staff sent the January 15 Request by first class U.S. Mail and first class certified mail, return receipt requested, to Saljooki’s residential address listed in FINRA’s Central Registration Depository (“CRD”) (the “CRD Address”).

15. The copy of the January 15 Request that FINRA Staff sent by first class U.S. Mail was not returned to FINRA. The certified mail receipt from the copy of the January 15 Request

sent by first class certified mail was returned unsigned to FINRA Staff. Saljooki's response to the January 15 Request was due on or before January 22, 2020.

16. Saljooki did not provide any information or documents to FINRA Staff in response to the January 15 Request on or before January 22, 2020, nor did he request any extension of that deadline.

17. On January 24, 2020, FINRA Staff sent Saljooki a second letter pursuant to FINRA Rule 8210, requesting that Saljooki provide the identical information and documents requested in the January 15 Request in connection with FINRA's investigation (the "January 24 Request").

18. FINRA Staff sent the January 24 Request by first class U.S. Mail and first class certified mail, return receipt requested, to the CRD Address.

19. The copy of the January 24 Request sent by first class U.S. Mail was not returned to FINRA.

20. Saljooki's response to the January 24 Request was due on or before January 31, 2020.

21. Saljooki did not provide any information or documents to FINRA Staff in response to the January 24 Request on or before January 31, 2020, nor did he request any extension of that deadline.

22. After Saljooki failed to respond to the January 24 Request, a public records search for other addresses for Saljooki identified two additional addresses that were potentially current addresses for Saljooki (the "Roslyn Address" and the "Westbury Address").

23. On February 12, 2020, FINRA Staff sent Saljooki a letter pursuant to FINRA Rule 8210, requesting, for the third time, that Saljooki provide the identical information and

documents requested in the January 15 Request and the January 24 Request (the “February 12 Request”).

24. FINRA Staff sent the February 12 Request by first class U.S. Mail and first class certified mail, return receipt requested, to the CRD Address, the Roslyn Address, and the Westbury Address.

25. Saljooki’s response to the February 12 Request was due on or before February 19, 2020.

26. On or about February 15, 2020, Saljooki called FINRA Staff after business hours and left a voice message acknowledging that he had received the February 12 Request.

27. On February 19, 2020, FINRA Staff spoke with Saljooki by telephone. During that call, Saljooki again acknowledged that he received the February 12 Request that was sent to the Roslyn Address. Saljooki requested that FINRA Staff extend the deadline for responding to the February 12 Request until February 28, 2020, which FINRA Staff agreed to do.

28. On February 25, 2020, FINRA Staff again spoke with Saljooki by telephone. During that call, Saljooki confirmed that he intended to provide FINRA with information and documents in response to the February 12 Request by the February 28 deadline. Saljooki also provided his personal email address (the “Email Address”) to FINRA Staff.

29. Saljooki did not provide any information or documents to FINRA Staff in response to the February 12 Request on or before February 28, 2020, nor did he request any extension of this deadline.

30. On March 2, 2020, FINRA Staff sent Saljooki another letter pursuant to FINRA Rule 8210, requesting, for the fourth time, that Saljooki provide the identical information and

documents requested in the January 15 Request, the January 24 Request, and the February 12 Request (the “March 2 Request”).

31. FINRA Staff sent the March 2 Request by first class U.S. Mail and first class certified mail, return receipt requested, to the CRD Address and the Roslyn Address. FINRA Staff also sent the March 2 Request electronically to Saljooki at his Email Address.

32. The copies of the March 2 Request that were sent to Saljooki at the CRD Address and the Roslyn Address by first class U.S. Mail were not returned to FINRA. According to the United States Postal Service’s website, the copy of the March 2 Request that was sent by first class certified mail to the Roslyn Address was delivered on March 5.

33. FINRA Staff did not receive any notification that the copy of the March 2 Request sent electronically to Saljooki at his Email Address was undeliverable.

34. Saljooki’s response to the March 2 Request was due on or before March 6, 2020.

35. Saljooki did not provide any information or documents to FINRA Staff in response to the March 2 Request on or before March 6, 2020, nor did he request any extension of that deadline.

36. Although Saljooki was properly served with the January 15, January 24, February 12, and March 2 Requests, Saljooki has not provided any information or documents in response to those requests as of the date of the filing of this Complaint.

37. The January 15, January 24, February 12, and March 2 Requests sought information and documents that were material to FINRA’s investigation. The requested information and documents were necessary to determining the business purposes of Companies 1 and 2 and Saljooki’s role with Companies 1 and 2, and were material to determining whether Saljooki and Representative A were involved in undisclosed outside business activities while

registered with FINRA. The requested information and documents also would have been material in evaluating the credibility of Representative A's claims that he was not involved with Companies 1 and 2.

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

SECOND CAUSE OF ACTION

Failure to Appear for Testimony (FINRA Rules 8210 and 2010)

39. The Department of Enforcement realleges and incorporates all previous paragraphs.

40. FINRA Rule 8210(a)(1) provides that FINRA Staff may "require a . . . person subject to FINRA's jurisdiction . . . to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter . . . with respect to any matter involved in [an] investigation."

41. Failing to appear for testimony requested pursuant to FINRA Rule 8210 is a violation of FINRA Rules 8210 and 2010.

42. On February 21, 2020, FINRA Staff sent Saljooki a letter pursuant to FINRA Rule 8210, requesting that he appear for testimony on March 6, 2020, in connection with FINRA's investigation (the "First Testimony Request").

43. FINRA Staff sent the First Testimony Request by first class U.S. Mail and first class certified mail, return receipt requested, to the CRD Address and the Roslyn Address.

44. FINRA Staff emailed an electronic copy of the First Testimony Request to Saljooki at the Email Address on February 25, 2020, after FINRA Staff learned of the Email Address.

45. The copies of the First Testimony Request sent to the CRD Address and the Roslyn Address by first class U.S. Mail were not returned to FINRA. The certified mail receipt from the copy of the First Testimony Request sent by first class certified mail to the Roslyn Address was returned to FINRA Staff. The receipt was signed and dated February 26, 2020.

46. FINRA Staff did not receive any notification that the copy of the First Testimony Request sent electronically to Saljooki at his Email Address was undeliverable.

47. Saljooki did not appear for testimony on March 6, 2020.

48. On March 6, 2020, FINRA Staff sent Saljooki a second letter pursuant to FINRA Rule 8210, requesting that he appear for testimony on March 13, 2020, in connection with FINRA's investigation (the "Second Testimony Request").

49. FINRA Staff sent the Second Testimony Request by first class U.S. Mail and first class certified mail, return receipt requested, to the CRD Address and the Roslyn Address. FINRA Staff also sent the Second Testimony Request electronically to the Email Address.

50. The copies of the Second Testimony Request sent by first class U.S. Mail to the CRD Address and the Roslyn Address were not returned to FINRA. According to the United States Postal Service's website, the copy of the Second Testimony Request that was sent by first class certified mail to the Roslyn Address was delivered on March 9.

51. FINRA Staff did not receive any notification that the copy of the Second Testimony Request sent electronically to Saljooki at his Email Address was undeliverable.

52. Although properly served, Saljooki did not appear for testimony on March 13, 2020, nor did he request an extension of that deadline.

53. Saljooki's testimony was material to FINRA's investigation for the same reasons that the above-referenced Rule 8210 requests for documents and information were material.

54. By failing to appear for testimony as requested pursuant to FINRA Rule 8210, Saljooki 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 bears 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 7, 2020



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