

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

Department of Enforcement,

Complainant,

v.

Kajie McMullen
(CRD No. 7052045),

Respondent.

Disciplinary Proceeding
No. 2020068502202

Hearing Officer—BEK

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: March 11, 2022

INTRODUCTION

Disciplinary Proceeding No. 2020068502202 was filed on November 23, 2021, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA or Complainant). Respondent Kajie McMullen submitted an Offer of Settlement (Offer) to Complainant dated March 2, 2022. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

McMullen, through her association with J.P. Morgan Securities LLC (CRD No. 79) ("JPMS"), was registered with FINRA as an investment company shares and variable contracts representative from January 29, 2019, to October 30, 2020.

On October 30, 2020, JPMS filed a Uniform Termination Notice for Securities Industry Registration ("Form U5"), disclosing that it terminated its association with McMullen for "applying for, and receiving, a Small Business Administration grant without a legitimate business purpose."

Although McMullen is no longer registered or associated with any 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 this complaint (1) was filed within two years after October 30, 2020, the effective date of the termination of McMullen's registration with FINRA, and (2) charges her with failing to provide information in response to FINRA Rule 8210 requests during the two-year period after she ceased to be registered or associated with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

McMullen failed to provide a complete response to FINRA's February 2021 requests for information and documents made pursuant to FINRA Rule 8210. As a result, McMullen violated FINRA Rules 8210 and 2010.

FACTS

In around February 2021, FINRA began investigating the circumstances of McMullen's termination from JPMS.

For the purpose of that investigation and pursuant to FINRA Rule 8210, on February 3, 2021, FINRA sent a letter to McMullen requesting that she provide information and documents relating to JPMS's Form U5 explanation of her termination, including the Small Business Association applications, bank records, and tax returns.

FINRA served its request by certified mail and first-class mail to McMullen's last known address as reflected in the Central Registration Depository ("McMullen's Address").

The certified mailing was delivered on March 9, 2021. The first-class mailing was not returned.

On or about February 9, 2021, McMullen called FINRA and confirmed receipt of its request. Among other things, McMullen stated that she did not have copies of some of the requested documents, including the applications she submitted to the Small Business Administration. FINRA suggested how McMullen could obtain copies of those documents because, as FINRA explained, McMullen was required to comply with the request pursuant to Rule 8210.

McMullen did not provide the requested information and documents.

When McMullen failed to comply, on February 19, 2021, FINRA sent its request for a second time, again for the purpose of its investigation and pursuant to FINRA Rule 8210.

FINRA served its second request by certified mail and first-class mail to McMullen's Address as well as electronically to an email address that FINRA confirmed to be McMullen's ("McMullen's Email").

The certified mailing was delivered on March 5, 2021. The first-class mailing was not returned.

On February 23, 2021, from McMullen's Email, McMullen replied to FINRA, requesting that it pause its investigation because, McMullen claimed, it was based on "slanderous and erroneous" information contained in her Form U5. FINRA responded by email the following day reiterating that McMullen was required to comply with the requests by submitting the requested information and documentation and, if she failed to do so, may be subject to expedited or formal disciplinary proceedings leading to sanctions, including a bar from associating with any FINRA member firm.

McMullen acknowledged by email that "[i]t is clear that you would like to move forward," but she still did not comply with the Rule 8210 requests.

As a result, on April 14, 2021, FINRA's Department of Enforcement sent McMullen a notice informing her that she would be suspended, pursuant to Rule 9552, on May 10, 2021 if she did not comply with the February 2021 requests or request a hearing ("Notice").

FINRA served the Notice by certified mail and first-class mail to McMullen's Address as well as electronically to McMullen's Email.

The certified mailing was delivered on April 26, 2021. The first-class mailing was not returned.

McMullen neither responded to the Rule 8210 requests nor requested a hearing.

As a result, on May 10, 2021, Enforcement sent to McMullen a notice informing her that she was suspended from associating with any FINRA member and warning her that she would be automatically barred on July 19, 2021, if she did not request termination of the suspension on grounds of full compliance ("Suspension Letter").

FINRA served the Suspension Letter by certified mail and first-class mail to McMullen's Address as well as electronically to McMullen's Email.

The certified mailing was delivered on May 20, 2021. The first-class mailing was not returned.

On July 16, 2021, McMullen, through counsel, requested termination of her suspension on the grounds that the investigation was based on untrue information. McMullen did not seek termination of the suspension on grounds of full compliance.

On July 19, 2021, McMullen, through counsel, provided to Enforcement a partial response to the Rule 8210 requests. That response was incomplete because McMullen failed to provide information and documents that six of the requests sought, including the Small Business Association applications, bank records, and tax returns. McMullen also did not describe any efforts to obtain the Small Business Association applications.

On July 26, 2021, Enforcement denied McMullen's request to terminate her suspension because she had not fully complied with the Rule 8210 requests.

McMullen is currently suspended from associating in any capacity with any FINRA member.

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

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."

FINRA Rule 8210(a)(2) authorizes FINRA staff to request records in the possession, custody, or control of a person subject to FINRA's jurisdiction.

FINRA Rule 8210(c) provides that “[n]o member or person shall fail to provide information . . . or to permit an inspection and copying of . . . records . . . pursuant to this Rule.”

A violation of FINRA Rule 8210 also constitutes a violation of FINRA Rule 2010, which requires associated persons to “observe high standards of commercial honor and just and equitable principles of trade.”

While subject to FINRA’s jurisdiction, McMullen failed to completely respond to FINRA’s February 2021 requests for information and documents pursuant to FINRA Rule 8210.

FINRA’s requests sought information and documents that were material to FINRA’s investigation. The requested information and documents were necessary to determine whether McMullen improperly applied for and used Small Business Association grants and whether she failed to disclose her outside business activities to her employer, in violation of FINRA rules.

By virtue of the foregoing, McMullen violated FINRA Rules 8210 and 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be barred from associating with any FINRA member. The sanctions herein shall be effective on a date set by FINRA staff. A bar or expulsion is effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

Signed on behalf of the
Director of ODA, by delegated authority

A handwritten signature in blue ink, appearing to read 'Y. Epstein', is written over a horizontal line.

Yael Epstein
Senior Litigation Counsel
FINRA Department of Enforcement
15200 Omega Drive, Suite 300
Rockville, MD 20850
(240) 386-5232
Yael.Epstein@finra.org