

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

Department of Enforcement,

Complainant,

v.

Jeffrey K. Galvani
CRD No. 3048728,

-and-

Stuart A. Jeffery
CRD No. 5241790,

Respondents.

Disciplinary Proceeding
No. 2020068865301

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondents Jeffrey K. Galvani and Stuart A. Jeffery failed to appear and provide testimony FINRA requested pursuant to FINRA Rule 8210. As a result, Respondents violated FINRA Rules 8210 and 2010.

RESPONDENTS AND JURISDICTION

2. Galvani first registered with FINRA as a General Securities Representative (GS) through a member firm in June 2006. Between 2006 and 2018, Galvani was registered with FINRA through several member firms in a variety of capacities. Most recently, Galvani was registered with FINRA as a GS, Operations Professional (OS) and Securities Trader (TD) from May 7, 2020, to April 6, 2022, and again from June 3, 2022, to September 7, 2023, through his association with Crito Capital LLC (CRD No. 161724).

3. On September 7, 2023, Crito Capital filed a Form U5 Uniform Termination Notice for Securities Industry Registration, disclosing that it permitted Galvani to resign because he “did not timely file a request for outside business activity.”

4. Jeffery first registered with FINRA as a GS through a member firm in November 2006. Between 2006 and 2019, Jeffery was registered with FINRA as a GS through several member firms. Most recently, Jeffery was registered with FINRA as a GS from September 24, 2020, to September 7, 2023, through an association with Crito Capital.

5. On September 7, 2023, Crito filed a Form U5 Uniform Termination Notice for Securities Industry Registration, disclosing that it permitted Jeffery to resign because of his “[f]ailure to timely disclose an Outside Business Activity.”

6. Although Respondents are no longer registered or associated with a FINRA member, they remain subject to FINRA’s jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA’s By-Laws, because the Complaint was filed within two years after September 7, 2023, which was the effective date of termination of Respondents’ registration with Crito Capital, and (2) the Complaint charges them with failing to appear for on-the-record testimony during the two-year period after the date on which they ceased to be registered or associated with a FINRA member.

FACTS

7. FINRA’s investigation in this matter concerns, among other things, Respondents’ outside business activities and private securities transactions. Specifically, FINRA’s investigation concerns Respondents’ roles with outside entities that provided services to customers who traded low-priced securities, often known as “penny stocks,” and Respondents’ disclosures of their activities to Crito Capital.

8. On May 12, 2025, FINRA sent each Respondent a request for testimony, issued pursuant to FINRA Rule 8210, via first-class and certified mail, return receipt requested, to the business address of counsel representing both Respondents. FINRA also sent a copy of the requests to Respondents' counsel via email, at an email address counsel previously used to communicate with FINRA.

9. The testimony request FINRA sent to Galvani, via his counsel, directed him to appear for testimony on June 3, 2025.

10. The testimony request FINRA sent to Jeffery, via his counsel, directed him to appear for testimony on June 5, 2025.

11. The United States Postal Service (USPS) records show that both of FINRA's certified mailings were delivered on May 15, 2025, and a recipient at the Respondents' counsel's business address signed for each delivery. FINRA's first-class mailings were not returned.

12. On May 27, 2025, FINRA staff emailed Respondents' counsel regarding his clients' intentions to appear for testimony. Respondents' counsel replied that Respondents are "not available for testimony," further stating that "even if they were available, they are not actively registered with FINRA and don't intend to pursue registration."

13. On May 27, 2025, FINRA staff conducted a telephone conference with Respondents' counsel. During this call, counsel confirmed that Respondents did not intend to appear for their scheduled testimony and would not be requesting alternative dates to testify.

14. On May 28, 2025, FINRA staff sent an email to Respondents' counsel summarizing the May 27 call. Respondents' counsel did not reply to FINRA staff's email.

15. Neither Respondent requested to postpone their scheduled testimony.

16. On June 3, 2025, Galvani failed to appear for his scheduled testimony.

17. On June 5, 2025, Jeffery failed to appear for his scheduled testimony.

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

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

19. FINRA Rule 8210(a)(1) provides 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 . . . and 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 the investigation, complaint, examination, or proceeding.”

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

21. 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.”

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

23. Respondents violated FINRA Rules 8210 and 2010 by failing to provide testimony in response to FINRA’s testimony requests, which were issued pursuant to Rule 8210

as part of FINRA's investigation of, among other things, Respondents' outside business activities and private securities transactions.

24. FINRA's Rule 8210 testimony requests were properly served on Respondents via their counsel.

25. The testimony requested from Respondents was material and necessary to FINRA's investigation of Respondents' outside business activities and private securities transactions, among other matters, and their failure to appear for testimony significantly impeded FINRA's investigation.

26. By virtue of the foregoing, Respondents 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 Respondents 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 Respondents 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: August 19, 2025

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