

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

Department of Enforcement,

Complainant,

v.

Lauren Nicole Scheible
CRD No. 6952986,

Respondent.

Disciplinary Proceeding
No. 2021069496201

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Lauren Nicole Scheible (“Scheible” or “Respondent”) failed to provide information and documents FINRA requested pursuant to FINRA Rule 8210, and further failed to appear and provide testimony FINRA requested pursuant to FINRA Rule 8210, in connection with an investigation of potential cheating on FINRA’s Securities Industry Essentials (SIE) Examination. As a result, Scheible violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Scheible entered the securities industry in May 2018 through an association with FINRA member firm Fidelity Brokerage Services LLC (the “firm”). Although Scheible sought to register as a General Securities Representative through an association with the firm, her registration never became effective. On February 8, 2021, the firm filed a Uniform Termination Notice for Securities Industry Registration (Form U5), stating that Scheible voluntarily resigned from the firm on January 29, 2021.

3. Although Respondent is no longer associated with a 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 (1) the Complaint was filed within two years after January 29, 2021, which was the date on which she ceased to be associated with a FINRA member, and (2) the Complaint charges her with failing to respond to FINRA requests for information and documents and with failing to appear for on-the-record testimony during the two-year period after the date on which she ceased to be associated with a FINRA member.

CAUSE OF ACTION
Failure to Provide Information and Documents and
to Appear for On-The-Record Testimony
(FINRA Rules 8210 and 2010)

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

5. FINRA Rule 8210(a)(1) requires a “member, 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 . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding”

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

7. 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.”

8. Respondent took the SIE Examination in Pittsburgh, PA on November 13, 2020.

9. In January 2021, FINRA commenced an investigation after receiving two incident reports from the Prometric Testing Center alleging that Respondent violated FINRA’s

Qualification Examinations Rules of Conduct by removing scratch paper from the exam room and accessing unauthorized materials. Respondent asserted to the test center's proctors that she only removed the scratch paper because she was fidgeting with it and that she discarded it in the restroom during a break.

10. On May 24, 2021, FINRA staff sent Scheible a written request for responses to previously-issued requests for information and documents related to Scheible's conduct while taking the November 13, 2020 SIE exam (the "May 24 Information Request"). The May 24 Information Request was made pursuant to FINRA Rule 8210 and attached the previously-issued requests, which were also incorporated by reference.

11. On May 24, 2021, FINRA staff also sent a letter to Scheible, pursuant to FINRA Rule 8210, requesting that she appear and provide on-the-record-testimony on June 22, 2021 (the "May 24 OTR Request").

12. The May 24 OTR Request enclosed copies of previously-issued requests for testimony and a document titled "Supplemental Information for Testimony Requests Pursuant to FINRA Rule 8210," which stated, in relevant part: "[f]ailure to appear on the date scheduled for your testimony . . . could violate Rule 8210 and could be the basis for the initiation of a disciplinary proceeding and could lead to disciplinary action and the imposition of sanctions, including a bar from associating with any FINRA member in all capacities, suspension, censure and/or fine."

13. FINRA staff personally served Scheible with the May 24 Information and OTR Requests. Copies of both the May 24 Information and OTR Requests were hand delivered to Scheible at her CRD Address on May 28, 2021.

14. FINRA staff also sent the May 24 Information and OTR Requests to Scheible's CRD Address via certified mail, return receipt requested. The United States Postal Service ("USPS") reported that a copy of the request was delivered and left with an individual on May 28, 2021 at Scheible's CRD Address. FINRA staff also sent the May 24 Information and OTR Requests to an email address that Scheible previously used to communicate with FINRA.

15. On June 22, 2021, after Scheible failed to provide information or documents requested in the May 24 Information Request, FINRA staff sent Scheible a second written request for responses to the May 24 Information Request (the "June 22 Information Request"). The June 22 Information Request was made pursuant to FINRA Rule 8210 and attached the May 24 Information Request and its attachments, which were also incorporated by reference.

16. On June 22, 2021, after Scheible failed to appear and provide testimony as scheduled, FINRA staff sent a letter to Scheible, pursuant to FINRA Rule 8210, requesting that she appear and provide on-the-record-testimony on July 21, 2021 (the "June 22 OTR Request").

17. The June 22 OTR Request enclosed copies of previously-issued requests for testimony and a document titled "Supplemental Information for Testimony Requests Pursuant to FINRA Rule 8210," which stated, in relevant part: "[f]ailure to appear on the date scheduled for your testimony . . . could violate Rule 8210 and could be the basis for the initiation of a disciplinary proceeding and could lead to disciplinary action and the imposition of sanctions, including a bar from associating with any FINRA member in all capacities, suspension, censure and/or fine."

18. FINRA staff personally served Scheible with the June 22 Information and OTR Requests. Copies of both the June 22 Information and OTR Requests were hand delivered to Scheible at her CRD Address on June 23, 2021.

19. FINRA staff also sent the June 22 Information and OTR Requests to Scheible's CRD Address via certified mail, return receipt requested. The USPS reported that a copy of the request was delivered and left with an individual on June 24, 2021 at Scheible's CRD Address. FINRA staff also sent the June 22 Information and OTR Requests to an email address that Scheible previously used to communicate with FINRA.

20. To date, Scheible has not provided any documents or information in response to the May 24 or June 22 Information Requests.

21. Scheible did not appear for her scheduled testimony on July 21, 2021, nor did Scheible request to postpone her testimony.

22. Scheible's failure to (1) provide documents and information in response to the May 24 and June 22 Information Requests; and (2) appear and provide testimony on June 22, 2021 and July 21, 2021 in response to the May 24 and June 22 OTR Requests, impeded FINRA's investigation and deprived it of material information in Scheible's possession.

23. Specifically, Scheible's failure to provide the requested information, documents, and testimony prevented FINRA from investigating allegations that Scheible accessed unauthorized material while taking the FINRA SIE Examination on November 13, 2020, and evaluating Scheible's claims that she did not remove scratch paper from the testing center intentionally or for the purpose of cheating.

24. By failing to provide information and documents requested pursuant to Rule 8210 in response to the May 24 and June 22 Information Requests, and by failing to appear and provide testimony requested pursuant to Rule 8210 on June 22, 2021 and July 21, 2021, Scheible 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 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: September 21, 2021



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