

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

Department of Enforcement,

Complainant,

v.

Gregory Scott Hanshew
CRD No. 2624600,

Respondent.

Disciplinary Proceeding
No. 2021071060902

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Gregory Scott Hanshew failed to provide a complete response to FINRA's requests for information and documents made pursuant to FINRA Rule 8210 in April, May, June and August 2021. As a result, Hanshew violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Hanshew joined the securities industry in 1995 when he registered with FINRA through his association with a FINRA member. Hanshew has been registered with FINRA through his association with several different FINRA members since 1995. Hanshew, through his association with Infinity Financial Services (CRD No. 144302) ("Infinity"), was registered with FINRA as a general securities representative from January 13, 2017 to June 11, 2020.

3. On June 11, 2020, Infinity filed a Uniform Termination Notice for Securities Industry Registration ("Form U5"), disclosing that Hanshew had been terminated voluntarily.

4. Although Hanshew is no longer registered or associated with any 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 June 11, 2020, which was the effective date of termination of Respondent's registration with Infinity, and (2) the Complaint charges Hanshew with failing to respond to FINRA requests for information and documents during the two-year period after the date on which he ceased to be registered or associated with a FINRA member.

FACTS

5. In February 2021, FINRA staff began investigating concerns that Hanshew was engaged in various sales practice violations involving senior investors, as well as failures to disclose outside business activities and judgments and liens while he was associated with Infinity in order to determine whether violations of the federal securities laws or FINRA rules occurred.

6. For the purpose of that investigation, and pursuant to FINRA Rule 8210, on April 21, 2021, FINRA staff requested that Hanshew provide information about his facilitating receipt and/or distribution of funds with various individuals and entities, lending arrangements and communications with investors, outside business activities, financial accounts, tax returns, Internet Protocol address(es) and Internet Service Providers, and certain judgments or liens ("April 21 Request"). A complete response was due by May 6, 2021.

7. The April 21 Request was served on Hanshew via certified and first-class mail to Hanshew's last known residential address as reflected in the Central Registration Depository ("CRD Address"). Both mailings were returned to FINRA with the postal marking "Return to sender. Not Deliverable as Addressed. Unable to forward."

8. Hanshew did not respond to the April 21 Request.

9. FINRA sent a second request, again for the purpose of its investigation and pursuant to FINRA Rule 8210, on May 10, 2021, enclosing the April 21 Request and requesting Hanshew's complete response by May 24, 2021 ("May 10 Request").

10. The May 10 Request was served on Hanshew via certified and first-class mail to (a) Hanshew's CRD Address, and (b) Hanshew's CRD Address but substituting zip code 80128 for 80228 (the "80128 Address") because of an apparent typographical error in the zip code in the CRD Address. All four mailings were returned to FINRA with the postal marking "Return to sender. Not Deliverable as Addressed. Unable to forward." A complete response was due by May 24, 2021.

11. Hanshew did not respond to the May 10 Request.

12. FINRA staff attempted to reach Hanshew by telephone and email on or about June 15, 2021 but was unsuccessful.

13. FINRA sent a third request, again for the purpose of its investigation and pursuant to FINRA Rule 8210, on June 29, 2021, enclosing the April 21 Request and May 10 Request and requesting Hanshew's complete response by July 14, 2021 ("June 29 Request").

14. The June 29 Request was served on Hanshew via certified and first-class mail to (a) Hanshew's CRD Address, (b) the 80128 Address, and (c) an address in Kansas indicated as current on a LexisNexis search result ("Hanshew's Kansas Address"). On July 2, 2021, the June 29 Request was delivered to Hanshew's Kansas Address. FINRA also sent a courtesy copy to Hanshew by email via Request Manager (to an email address provided by Infinity and listed on LexisNexis), which was not returned as undeliverable.

15. Hanshew did not respond to the June 29 Request.

16. FINRA sent a fourth request, again for the purpose of its investigation and pursuant to FINRA Rule 8210, on August 4, 2021, enclosing the April 21 Request, May 10 Request and June 29 Request and requesting Hanshew's complete response by August 11, 2021 ("August 4 Request").

17. The August 4 Request was served on Hanshew via certified and first-class mail to (a) Hanshew's CRD Address, (b) the 80128 Address, and (c) Hanshew's Kansas Address. On August 9, 2021, the August 4 Request was delivered to Hanshew's Kansas address.

18. On August 11, 2021, Hanshew (a) left a voicemail message for the FINRA staff person who signed the August 4 Request, and (b) sent the same FINRA staff person a blank email. Hanshew's blank email replied to an email FINRA staff sent Hanshew on June 15, 2021 informing him that FINRA had sent him letters and inquiring as to his current mailing address.

19. Hanshew did not respond to the August 4 Request.

20. On September 14, 2021, pursuant to FINRA Rule 9552, FINRA staff sent a letter to Hanshew (the "Notice of Suspension"), notifying him that, on October 8, 2021, he would be suspended from associating with any FINRA member in any capacity unless he completely responded to the April 21 Request, May 10 Request, June 29 Request and August 4 Request (the "Rule 8210 Requests").

21. The Notice of Suspension was served on Hanshew via certified and first-class mail to (a) Hanshew's CRD Address, (b) the 80128 Address, and (c) Hanshew's Kansas Address. FINRA staff also sent Hanshew a courtesy copy by email.

22. The first-class mailing of the Notice of Suspension to Hanshew's Kansas address was not returned, and the email copy of the Notice of Suspension was not returned as undeliverable.

23. Hanshew did not respond in any way to the Notice of Suspension.

24. On October 8, 2021, FINRA staff sent Hanshew a letter pursuant to FINRA Rule 9552 and the Notice of Suspension stating that he was suspended from associating with any FINRA member in any capacity on October 8, 2021, and informing him that he would be automatically barred on December 17, 2021, if he did not request termination of his suspension on grounds of full compliance.

25. FINRA staff served the October 8, 2021 letter on Hanshew via certified and first-class mail to (a) Hanshew's CRD Address, (b) the 80128 Address, and (c) Hanshew's Kansas Address. FINRA staff also sent Hanshew a courtesy copy by email.

26. The certified mail mailing of the October 8, 2021 letter to Hanshew's Kansas address was delivered on October 16, 2021, and the email copy of the Deficiency Letter was not returned as undeliverable.

27. On October 27 and October 28, 2021, Hanshew called and left voicemail messages for the FINRA staff person who signed the October 8 letter. This FINRA staff person returned Hanshew's voice messages and, in corresponding emails sent to him on October 27 and 29 and November 2, 2021, advised Hanshew that his voicemail was full and not accepting new messages, provided various contact information to Hanshew and, in the November 2 email, reminded Hanshew of his suspension and the prospective conversion to a bar unless he requested termination of the suspension based on full compliance with the Rule 8210 Requests.

28. Hanshew did not respond to those communications.

29. On November 15, 2021, FINRA staff received a letter from Hanshew dated September 8, "2012" (the year in the letter's date being an apparent typographical error and intended to be 2021). In his letter, Hanshew identified his address as the Kansas Address,

identified his phone number as the phone number that FINRA staff had called on multiple occasions, confirmed receipt of FINRA's October 8 letter, and acknowledged FINRA's prior efforts to reach him. In the letter, Hanshew submitted certain information and documents to FINRA staff in response to the Rule 8210 Requests.

30. Hanshew's response to the 8210 Requests was incomplete. Specifically, he failed to make any response to Request Nos. 2 (seeking information and documents regarding financial transactions with specified persons), 11 and 12 (seeking Internet Protocol and Internet Service Providers addresses for Hanshew's electronic devices and related information), and 13 (a)-(e) and (g) (seeking information regarding undisclosed liens and judgments). Further, Hanshew's response to Request No. 7 was deficient for failing to identify each financial account that was open during the relevant period. Hanshew's response to Request No. 8 was deficient for failing to produce any responsive monthly statements for his financial accounts during the relevant period or, if not in possession thereof, to detail efforts to obtain them. Hanshew's response to Request No. 9 was deficient for failing to provide signed copies of his tax returns for 2018, 2019 and 2020 or, if not in possession thereof, to detail efforts to obtain them or explicitly state that he will not file a return for those years. Hanshew's response to Request No. 10 was deficient for failing to produce correspondence regarding discussions with investors or customers for investments involving loans during the relevant period in his possession, custody or control, or explicitly state that he has none. Hanshew's response to Request No. 13(f) was deficient for failing to provide the date a certain lien/judgment was paid.

31. On November 19, 2021, FINRA staff sent a letter via certified and first-class mail to Hanshew's CRD Address, and Hanshew's Kansas Address, and via email, identifying the outstanding deficiencies in his responses to the Rule 8210 Requests ("Deficiency Letter").

32. The Deficiency Letter also notified Hanshew that he was scheduled to be barred on December 17, 2021, in accordance with the Notice of Suspension and FINRA Rule 9552(h), unless he fully complied with the Rule 8210 Requests and submitted a written request to terminate the suspension on grounds of full compliance.

33. The certified mail mailing of the Deficiency Letter to Hanshew's Kansas address was delivered on November 22, 2021, and the email copy of the Deficiency Letter was not returned as undeliverable.

34. On December 16, 2021, FINRA staff sent a letter via certified and first-class mail to Hanshew's CRD Address, and Hanshew's Kansas Address, and via email, enclosing the Deficiency Letter and notifying Hanshew that, notwithstanding his failure to provide a complete response to the Rule 8210 Requests, FINRA decided not to bar him, pursuant to FINRA Rule 9552(h). Rather, FINRA staff informed Hanshew that he would remain suspended pursuant to FINRA Rule 9552 until he fully complied with the Rule 8210 Requests and submitted a written request to terminate his suspension on the ground of full compliance.

35. The certified mailing of the December 16, 2021 letter to Hanshew's Kansas address was delivered on December 23, 2021, and the email copy of the December 16, 2021 letter was not returned as undeliverable.

36. Hanshew has not further responded to FINRA, and he is currently suspended from associating in any capacity with any FINRA member.

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

37. The Department of Enforcement realleges and incorporates by reference all preceding paragraphs.

38. FINRA Rule 8210(a)(1) provides that FINRA staff may require any person subject to FINRA's jurisdiction to "provide information orally, in writing, or electronically (if the requested information is, or is required to be, maintained in electronic form) ... with respect to any matter involved in the investigation, complaint, examination, or proceeding."

39. Rule 8210(a)(2) provides that FINRA staff may "inspect and copy the books, records, and accounts of such member or person with respect to any matter involved in the investigation, complaint, examination, or proceeding that is in such member's or person's possession, custody or control."

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

41. 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."

42. While subject to FINRA's jurisdiction, Hanshew failed to provide complete responses to the Rule 8210 Requests, *i.e.*, the April 21 Request, May 10 Request, June 29 Request and August 4 Request.

43. The information and documents that he failed to provide are material to FINRA's investigation into whether Hanshew engaged in sales practice violations with senior investors,

and failed to disclose outside business activities and liens and judgments while associated with Infinity.

44. By virtue of the foregoing, Hanshew 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 Hanshew 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 Hanshew bears such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

Date: March 15, 2022



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