

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

Department of Enforcement,

Complainant,

v.

Daniel Pita
CRD No. 6759879,

Respondent.

Disciplinary Proceeding
No. 2021071965401

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Daniel Pita (“Pita” or “Respondent”) failed to provide information and documents FINRA requested pursuant to FINRA Rule 8210 in connection with an investigation of Pita’s outside business activities. As a result, Pita violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Pita registered with FINRA as a General Securities Representative in May 2018 through an association with NYLIFE Securities LLC (“NYLIFE”), a FINRA member. On December 10, 2021, NYLIFE filed a Uniform Termination Notice of Securities Industry Registration (Form U5) on Pita’s behalf, disclosing that it had terminated Pita’s association with the firm on November 10, 2021, after the firm’s parent company terminated his affiliation for administrative reasons.

3. Although Respondent 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 December 10, 2021, which was the effective date of termination of Respondent's registration with NYLIFE, and (2) the Complaint charges him with failing to respond to FINRA requests for information during the two-year period after the date on which he ceased to be registered or associated with a FINRA member.

FACTS

4. In July 2021, FINRA began investigating an allegation that Pita had not disclosed all of his outside business activities while he was employed at NYLIFE.

5. For purposes of FINRA's investigation, and pursuant to FINRA Rule 8210, on March 7, 2022, FINRA's Department of Member Supervision ("Member Supervision") sent Pita a letter requesting that he provide information and documents by March 21, 2022. Specifically, Member Supervision requested that Pita provide: (1) a list of all outside business activities in which he was involved between January 1, 2020 and December 10, 2021; (2) identification of any bank accounts in his name or for his benefit in existence between October 1, 2020 and August 31, 2021; (3) identification of any bank accounts for which he had the ability and/or legal authority to withdraw, transfer, or move funds between October 1, 2020 and August 31, 2021; (4) account statements for the accounts identified in Requests 2 and 3; (5) copies of his personal federal tax returns for 2019 and 2020; and (6) copies of federal tax returns for any entities identified in Request 3 for 2019 and 2020.

6. Member Supervision served its request by first class and certified mail, return receipt requested to Pita's last known residential address as reflected in the Central Registration Depository ("CRD Address").

7. The United States Postal Service ("USPS") reported that a copy of the request was "Delivered to Agent for Final Delivery" on March 14, 2022. The first-class mailing was not returned.

8. On March 21, 2022, Member Supervision received an email from Pita stating that he had received Member Supervision's request and "[a]ll OBA were disclosure [sic] to NYL as part of my contract" and "I have no interest to disclosure [sic] financials of any OBA, nor do I intent [sic] to work in the Financial field in the future." Pita did not provide any additional information or documents, including the identification of any outside business activities, any statements from bank accounts that he owned or controlled, or any applicable tax returns.

9. On March 25, 2022, Member Supervision and FINRA's Department of Enforcement ("Enforcement") attempted to reach Pita by telephone at the number listed in his NYLIFE employment records. The same phone number was also listed on Pita's CLEAR report. After the voicemail prompt identified the number as belonging to Pita, Enforcement left a voicemail stating that FINRA Rule 8210 obligates Pita to respond to FINRA's requests fully and completely, and Pita's March 21, 2022 email was neither a complete nor sufficient response to Member Supervision's request. The same day, Member Supervision also sent Pita a follow-up email to the email address Pita had used days earlier to communicate with Member Supervision.

10. On March 30, 2022, Member Supervision and Enforcement again attempted to reach Pita by telephone at the same number used previously and again left a voicemail.

11. Pita did not respond to either the voicemails or email in any way.

12. When Pita failed to respond, Member Supervision sent Pita a second written request for the same documents and information on April 5, 2022. The second request was sent pursuant to FINRA Rule 8210 and enclosed a copy of the original March 7, 2022 letter. The second letter explained that Pita's March 21, 2022 email did not constitute a complete response to Member Supervision's March 7, 2022 letter and requested that Pita provide the requested information by April 19, 2022.

13. Member Supervision served its second request to the CRD Address by first class and certified mail, return receipt requested. Member Supervision also sent the second request via email to the email address Pita previously used to communicate with Member Supervision.

14. The USPS reported that a copy of the request was delivered and left with an individual at the CRD Address on April 8, 2022. The first-class mailing was not returned.

15. Pita failed to respond in any way.

16. On April 20 and 27, 2022, Member Supervision and Enforcement attempted to reach Pita by telephone at the same number used previously, leaving voicemails each time, and sent Pita follow-up emails to the email address Pita previously used to communicate with Member Supervision.

17. Pita did not respond to the voicemails or emails in any way.

18. For purposes of FINRA's investigation, on June 7, 2022, Enforcement sent Pita a written request for documents and information concerning his outside business activities. The request was sent pursuant to FINRA Rule 8210 and asked that he provide the requested information by June 21, 2022. Specifically, Enforcement requested that Pita provide: (1) information related to all outside business activities in which he was involved between May 1, 2018 and December 10, 2021; (2) information related to whether the activities identified in

Request 1 were disclosed to NYLIFE; (3) identification of any bank, brokerage, or other financial institution accounts owned or controlled directly or indirectly, formally or informally, by him, in which he had the authority to conduct transactions, that were open at any time between January 1, 2020 and December 10, 2021; (4) monthly statements, any checks cleared or cancelled, and an explanation of the source of the funds for the accounts identified in Request 3 for the period January 1, 2020 and December 10, 2021; (5) copies of his personal federal and state tax returns for 2019, 2020, and 2021; and (6) copies of federal and state tax returns for any entities identified in Request 3 for 2019, 2020, and 2021.

19. Enforcement served its request to the CRD Address by first class and certified mail, return receipt requested. Enforcement also sent the request via email to the email address Pita previously used to communicate with Member Supervision.

20. The USPS did not provide Enforcement with a certified mail return receipt. The first-class mailing was not returned.

21. Enforcement resent a copy of the June 7, 2022 letter via certified mail, return receipt requested, on June 23, 2022. The USPS reported that a copy of the request was delivered and left with an individual at the CRD Address on June 29, 2022.

22. Pita failed to respond in any way.

23. On June 23, 2022, Enforcement attempted to reach Pita by telephone at the same number used previously, leaving a voicemail.

24. Pita did not respond to the voicemail in any way.

25. When Pita failed to respond, Enforcement sent Pita a second written request for the same documents and information on June 24, 2022. The second request was sent pursuant to

FINRA Rule 8210 and enclosed a copy of the June 7, 2022 letter, asking that Pita provide the requested information and documents by July 5, 2022.

26. Enforcement served its request to the CRD Address by first class and certified mail, return receipt requested. Enforcement also sent the second request via email to the email address Pita previously used to communicate with Member Supervision.

27. The USPS did not provide Enforcement with a certified mail return receipt. The first-class mailing was not returned.

28. Pita failed to respond in any way.

29. When Pita failed to respond, Enforcement sent Pita a third written request for the same documents and information on July 19, 2022. The third request was sent pursuant to FINRA Rule 8210 and enclosed a copy of the June 7, 2022 letter, asking that Pita provide the requested information and documents by July 27, 2022.

30. Enforcement served its request to the CRD Address by first class mail and FedEx, tracking requested. Enforcement also sent the third request via email to the email address Pita previously used to communicate with Member Supervision.

31. The FedEx tracking system indicates that the letter was delivered on July 20, 2022. The first-class mailing was not returned.

32. Pita failed to respond in any way.

33. On July 29, 2022, Enforcement attempted to reach Pita by telephone at the same number used previously, leaving a voicemail.

34. Pita did not respond to the voicemail in any way.

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

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

36. 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 . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding.” FINRA Rule 8210(a)(2) provides that FINRA staff has the right to “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.”

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

38. A violation of FINRA Rule 8210 is also a violation of FINRA Rule 2010, which requires associated persons, in the conduct of their business, to “observe high standards of commercial honor and just and equitable principles of trade.”

39. While subject to FINRA’s jurisdiction, Pita failed to provide information and documents FINRA requested pursuant to FINRA Rule 8210.

40. FINRA’s requests sought information and documents that were material to FINRA’s investigation. The requested information and documents were necessary to investigate whether Pita had disclosed all of his outside business activities to NYLIFE, or engaged in other misconduct, in violation of FINRA rules or the federal securities laws.

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

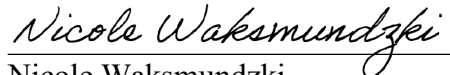
RELIEF REQUESTED

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 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 18, 2022



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