

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

Department of Enforcement,

Complainant,

v.

Roger Lee Arnold
CRD No. 5284151,

Respondent.

Disciplinary Proceeding
No. 2021072142202

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Roger Lee Arnold failed to respond to three FINRA requests for information and documents made pursuant to FINRA Rule 8210 as part of FINRA staff's investigation into the circumstances surrounding Arnold's resignation from his FINRA member firm. As a result, Arnold violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Arnold first registered with FINRA in 2007. Arnold, through his association with PFS Investments, Inc. (CRD No. 10111) ("PFS"), was registered with FINRA as an investment company and variable contracts products representative from June 27, 2007 to August 2, 2021.

3. On August 2, 2021, PFS filed a Uniform Termination Notice for Securities Industry Registration ("Form U5"), disclosing that it terminated its association with Arnold because he "admitted to redeeming money from his wife's account with the firm and transferring

it to a joint bank account without his wife's permission." Arnold resigned while he was still under review by the firm.

4. Although Arnold 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 August 2, 2021, which was the effective date of the termination of Arnold's registration with PFS, and (2) the Complaint charges him with failing to respond to 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 August 2021, FINRA staff began investigating the circumstances surrounding Arnold's resignation from PFS.

6. For the purpose of that investigation, and pursuant to FINRA Rule 8210, on November 18, 2021, FINRA staff requested that Arnold provide information and documents related to his resignation and his alleged unauthorized withdrawal of funds from his wife's account. Arnold's response to the Rule 8210 request was due by December 3, 2021.

7. FINRA staff served its initial Rule 8210 request via certified and first-class mail to Arnold's last known residential address as reflected in the Central Registration Depository ("Arnold's CRD Address"). At the time, FINRA staff confirmed, through a LexisNexis public records search, that there were no more current addresses attributable to Arnold.

8. The certified mailing of the initial Rule 8210 request was delivered to Arnold's CRD Address and signed for on November 24, 2021. The first-class mailing was not returned to FINRA.

9. Arnold did not respond to the initial Rule 8210 request in any way or request an extension of the response deadline.

10. As a result, on December 9, 2021, again for the purpose of its investigation and pursuant to Rule 8210, FINRA staff sent a second request for the information and documents sought in the initial Rule 8210 request. Arnold's response to the second Rule 8210 request was due by December 23, 2021.

11. FINRA staff served its second Rule 8210 request via certified and first-class mail to Arnold's CRD Address.

12. The certified mailing of the second Rule 8210 request was delivered to Arnold's CRD Address on December 13, 2021. The first-class mailing was not returned to FINRA.

13. On December 22, 2021, one day before his response was due, Arnold requested that his response deadline be extended to January 3, 2022. FINRA staff agreed to the extension.

14. Arnold did not respond to the second Rule 8210 request at any time nor did he request any additional extensions of the response deadline.

15. On March 15, 2022, FINRA staff sent a third Rule 8210 request for the same information and documents sought in the prior Rule 8210 requests, again for the purpose of its investigation. Arnold's response to the third Rule 8210 request was due by March 29, 2022.

16. FINRA staff served its third Rule 8210 request via certified and first-class mail to Arnold's CRD Address. Before mailing the third Rule 8210 request, FINRA staff confirmed, through a LexisNexis public records search, that Arnold's CRD Address was the most current available address for Arnold.

17. The certified mailing of the third Rule 8210 request was delivered to Arnold's CRD Address and signed for by "Connie Arnold" on March 19, 2022. The first-class mailing was not returned to FINRA.

18. FINRA staff also emailed a courtesy copy of the third Rule 8210 request to Arnold's previously used email address ("Arnold's Email Address").

19. Arnold did not respond to the third Rule 8210 request by March 29, 2022 in any way nor did he request an extension of the response deadline.

20. On March 30, 2022, Arnold contacted FINRA staff by telephone and orally requested a response deadline extension. Arnold also notified FINRA staff that he no longer had permanent housing but did not provide an alternative mailing address.

21. FINRA staff extended Arnold's deadline for responding to the third 8210 request to April 1, 2022. Arnold, however, did not respond to the third Rule 8210 request at any time or request an additional extension of the response deadline.

22. On May 17, 2022, pursuant to FINRA Rule 9552, FINRA staff sent a letter to Arnold notifying him that, on June 10, 2022, he would be suspended from associating with any FINRA member in any capacity for failing to respond to FINRA staff's Rule 8210 requests for documents and information if he did not comply with the requests or ask for a hearing ("Notice of Suspension").

23. FINRA staff served the Notice of Suspension to Arnold's CRD Address via certified mail and first-class mail. At that time, FINRA staff confirmed, through a LexisNexis public records search, that there were no more current addresses attributable to Arnold.

24. FINRA staff also emailed a courtesy copy of the Notice of Suspension to Arnold's Email Address.

25. The certified mailing of the Notice of Suspension was “lost” in transit to Arnold’s CRD Address. The first-class mailing was not returned to FINRA.

26. The courtesy copy of the Notice of Suspension was delivered to Arnold’s Email Address on May 17, 2022.

27. Arnold did not respond to the Notice of Suspension in any way nor did he request an extension of the response deadline.

28. On June 10, 2022, FINRA staff sent Arnold a letter notifying him that he was suspended from associating with any FINRA member in any capacity (“Suspension Notice”). The Suspension Notice also warned Arnold that he would be automatically barred on August 22, 2022, if he did not request termination of his suspension on the ground of full compliance with the Rule 8210 requests.

29. FINRA staff served the Suspension Notice to Arnold’s CRD Address via certified mail and first-class mail after confirming, through a LexisNexis public records search, that there were no more current addresses attributable to Arnold.

30. FINRA staff also emailed a courtesy copy of the Suspension Notice to Arnold’s Email Address.

31. Arnold personally signed for the certified mailing of the Suspension Notice at a USPS office in Salem, Oregon on June 14, 2022. The first-class mailing was not returned to FINRA.

32. The courtesy copy of the Suspension Notice was delivered to Arnold’s Email Address on June 10, 2022.

33. Arnold did not respond in any way to the Suspension Notice nor did he request an extension of the response deadline.

34. Arnold remains suspended from associating with any FINRA member in any capacity.

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) 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 the investigation, complaint, examination, or proceeding."

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

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

39. A violation of FINRA Rule 8210 also constitutes 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."

40. While subject to FINRA's jurisdiction, Arnold failed to comply with FINRA staff's requests for information and documents made pursuant to FINRA Rule 8210.

41. The information and documents FINRA requested from Arnold were material to FINRA staff's investigation into whether Arnold engaged in transactions in his wife's account

without her permission, and whether he transferred funds from his wife's account to their joint account.

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

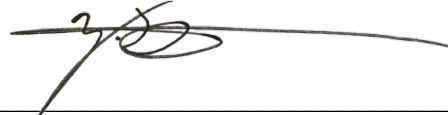
RELIEF REQUESTED

WHEREFORE, the Department of Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Arnold committed the violations charged and alleged in this Complaint;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions be imposed; and
- C. order that Arnold bears such costs of this proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

Date: February 1, 2023

Respectfully submitted,



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