

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

Department of Enforcement,

Complainant,

v.

Ali F. Chehab
CRD No. 7625979,

Respondent.

Disciplinary Proceeding
No. 2024082633901

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Ali Chehab failed to respond to requests for information and documents that FINRA made pursuant to FINRA Rule 8210 as part of FINRA’s investigation into whether Chehab committed violations of FINRA rules and the federal securities laws including by: selling away; unauthorized trading; and making material misrepresentations to customers. As a result, Chehab violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Chehab first registered with FINRA in 2022.
3. In July 2023, Chehab became registered as a General Securities Representative through an association with FINRA member Merrill Lynch, Pierce, Fenner & Smith Incorporated.
4. On June 28, 2024, Merrill Lynch filed a Uniform Application for Securities Industry Registration or Transfer (“Form U4”) amendment disclosing that a customer of

Chehab's had filed a written complaint making allegations including "misrepresentation" and "selling away[.]"

5. On August 9, 2024, Merrill Lynch filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") disclosing that it had discharged Chehab for "[c]onduct including failure to adhere to firm standards regarding selling away, impermissible recommendation to a self-directed customer, and impermissible use of personal email address to conduct firm business."

6. Merrill Lynch subsequently filed a Form U5 amendment disclosing that the firm was conducting an internal review into Chehab's "conduct involving unauthorized trading in Merrill Lynch client accounts."

7. Although Chehab 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 9, 2024, which was the effective date of termination of Chehab's registration with Merrill Lynch; and (2) the Complaint charges Chehab 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.

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

8. Enforcement realleges and incorporates all previous paragraphs.

9. FINRA Rule 8210(a)(1) provides that for the purpose of an investigation, complaint, examination, or proceeding authorized by the FINRA By-Laws or rules, 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.”

10. FINRA Rule 8210(a)(2) provides that FINRA may “inspect and copy the books, records, and accounts of such . . . 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.”

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

12. 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” in the conduct of their business.

13. FINRA Rule 8210(d) states that a notice shall be deemed received by a currently or formerly registered person to whom it is directed by mailing or otherwise transmitting the notice to the last known residential address of the person as reflected in the Central Registration Depository (“CRD”).

14. This proceeding originated from FINRA’s review of the Form U4 amendment filed by Merrill Lynch.

15. In October 2024, FINRA was investigating allegations that Chehab had engaged in sales practice violations including selling away, unauthorized trading, and making material misrepresentations to customers.

16. On October 24, 2024, as part of its investigation, FINRA sent a request for information and documents pursuant to FINRA Rule 8210 (“First 8210 Request”) by certified

mail and first-class mail to Chehab's last known residential address as reflected in CRD ("Chehab's CRD Address").

17. In the First 8210 Request, FINRA asked for, among other things, Chehab's electronic communications with potentially harmed customers; information regarding investments Chehab recommended to the complaining customer; documents reflecting any efforts Chehab made to settle away with the complaining customer; and information regarding Chehab's outside business activities and private securities transactions.

18. The first class mailing of the First 8210 Request was not returned.

19. The certified mailing of the First 8210 Request was returned, marked "RETURN TO SENDER VACANT UNABLE TO FORWARD."

20. On October 25, 2024, FINRA also sent an email to Chehab's personal email address, attaching a courtesy copy of the First 8210 Request.

21. On October 25, 2024, Chehab sent a series of emails to FINRA staff stating that he would not respond to the First 8210 Request.

22. Chehab's response to the First 8210 Request was due on November 7, 2024.

23. Chehab did not provide any of the information or documents FINRA requested in response to the First 8210 Request.

24. On November 13, 2024, FINRA sent a second request for information and documents pursuant to FINRA Rule 8210 ("Second 8210 Request") by certified and first-class mail to Chehab's CRD Address.

25. On November 13, 2024, FINRA also sent an email to Chehab's personal email address, attaching a courtesy copy of the Second 8210 Request.

26. The information and documents requested in the Second 8210 Request were identical to those requested in the First 8210 Request.

27. The first class mailing of the Second 8210 Request was not returned.

28. The certified mailing of the Second 8210 Request was returned, marked as “RETURN TO SENDER UNCLAIMED UNABLE TO FORWARD.”

29. On November 13, 2024, Chehab sent an email to FINRA staff reiterating that he would not produce the information and documents requested in the First and Second 8210 Requests, stating “I’m not going to provide that information and I do not care if I get barred.”

30. Chehab has not produced to FINRA any documents or information in response to either the First 8210 Request or the Second 8210 Request.

31. The information and documents that FINRA requested were material to FINRA’s investigation because they directly related to the potential misconduct that FINRA was investigating.

32. Chehab’s failure to provide the requested information and documents impeded FINRA’s investigation into his potential misconduct because he deprived FINRA of documents and information that was material to its investigation.

33. By failing to respond to FINRA’s requests information and documents, Chehab 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 this proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: August 5, 2025



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