

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

Department of Enforcement,

Complainant,

v.

Santiago J. Torres
CRD No. 5644622,

Respondent.

Disciplinary Proceeding
No. 2024083132901

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Santiago J. Torres, Jr. failed to provide information and documents, and appear for on-the-record testimony, that FINRA requested pursuant to FINRA Rule 8210 as part of an investigation into whether he misappropriated funds and falsified customer documents. By failing to provide the requested information, documents, and testimony, Torres violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Torres first registered with FINRA in 2009 through an association with a FINRA member.

3. From February 2021 to September 2024, Torres was registered with FINRA as an Investment Company and Variable Contracts Products Representative and a General Securities Representative through an association with Truist Investment Services, Inc. (CRD No. 17499).

4. On October 18, 2024, Truist filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that the firm had discharged him on September 25, 2024, because of “[c]oncerns involving allegations of misappropriation of client funds and falsification of client documents/statements.”

5. 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 October 18, 2024, which was the effective date of termination of Respondent’s registration with Truist, and (2) the Complaint charges him with failing to respond to FINRA’s requests for documents and information and failing to appear for on-the-record testimony during the two-year period after the date on which he ceased to be registered or associated with a FINRA member.

FACTS

6. In August 2024, FINRA opened an investigation into whether Torres misappropriated funds after reviewing a Form U4 amendment filed by Truist on August 21, 2024, which disclosed a customer complaint alleging that Torres misappropriated funds from the customer, who was Torres’s wife’s cousin, and other family members.

A. Torres failed to produce documents and information requested pursuant to FINRA Rule 8210.

7. On September 24, 2024, in connection with its investigation, FINRA requested, pursuant to FINRA Rule 8210, that Torres provide documents and information including, among other things, a statement on whether Torres ever provided forged documents to a Truist customer or received funds from a Truist customer; an explanation of his relationships with certain individuals identified in the customer complaint; communications between Torres and certain

individuals identified in the customer complaint and a list of his bank accounts and corresponding bank records.

8. FINRA sent the September 24 request by first-class U.S. Mail, certified mail, return receipt requested, and FedEx Overnight, to Torres's last known residential address listed in FINRA's Central Registration Depository (CRD) (the CRD Address).

9. The September 24 request sent by first-class U.S. Mail to Torres's CRD Address was not returned to FINRA.

10. The September 24 request sent by certified mail, return receipt requested, arrived at Torres's CRD Address on September 30, 2024; however, an authorized recipient was not available to claim it and the mailing was later returned to FINRA.

11. FedEx attempted to deliver the September 24 request to the CRD Address on September 26, 2024, September 27, 2024, and September 30, 2024; however, a recipient was unavailable to claim it. The request was later returned to FINRA.

12. On September 24, 2024, FINRA also sent a copy of the September 24 request electronically to Torres's personal email address and work email address.

13. FINRA did not receive any notification that the copy of the September 24 request sent electronically to Torres at his personal or business email address was undeliverable.

14. The deadline for producing information and documents in response to the September 24 request was October 8, 2024.

15. Torres never responded to the September 24 request or requested an extension of time to respond.

16. As a result, on October 10, 2024, in connection with its investigation, FINRA sent Torres a second letter pursuant to FINRA Rule 8210, requesting that he provide the same

information and documents requested in the September 24 request. The second request stated that “[t]o date, [FINRA has] not received the requested information, nor have you requested or received an additional extension of time to respond. As a result of your failure to respond, you may be in violation of FINRA Rule 8210.”

17. FINRA sent the October 10 request by first-class U.S. Mail, certified mail, return receipt requested, and FedEx Overnight, to Torres’s CRD Address.

18. The October 10 request that was sent by first-class U.S. Mail to Torres’s CRD Address was not returned to FINRA.

19. The October 10 request sent by certified mail, return receipt requested, arrived at Torres’s CRD Address on October 12, 2024; however, an authorized recipient was not available to claim it and the mailing was later returned to FINRA.

20. FedEx attempted to deliver the October 10 request to the CRD Address on October 11, 2024, October 14, 2024, and October 15, 2024; however, a recipient was not available to claim it. The mailing was later returned to FINRA.

21. A copy of the October 10 request was also sent to Torres’s personal email.

22. FINRA did not receive any notification that the copy of the October 10 request sent to Torres at his personal email address was undeliverable.

23. The deadline for producing information and documents in response to the October 10 request was October 24, 2024.

24. As of the date of the filing of this Complaint, Torres has not provided any information or documents in response to the September 24 or October 10 requests or requested an extension of time to respond.

B. Torres failed to appear for testimony requested pursuant to FINRA Rule 8210.

25. On September 25, 2024, in connection with its investigation, FINRA requested, pursuant to FINRA Rule 8210, that Torres appear for testimony on October 10, 2024.

26. FINRA sent the September 25 testimony request to the CRD Address by first-class U.S. Mail, certified mail, return receipt requested, and FedEx Overnight.

27. The September 25 testimony request that was sent by first-class U.S. Mail to Torres's CRD Address was not returned to FINRA.

28. The September 25 testimony request sent by certified mail arrived at Torres's CRD Address arrived on September 30, 2024; however, an authorized recipient was not available to claim it and the mailing was later returned to FINRA.

29. FedEx attempted to deliver the September 25 testimony request to the CRD address on September 26, 2024, September 27, 2024, and September 30, 2024; however, a recipient was unavailable to claim it. The mailing was later returned to FINRA.

30. On September 25, 2024, FINRA sent a copy of the September 25 testimony request to Torres's personal email address and business email address.

31. FINRA did not receive any notification that the copy of the September 25 testimony request sent to Torres at his personal or business email address was undeliverable.

32. Torres did not appear for testimony on October 10, 2024, nor did he request an extension of that deadline.

33. On October 10, 2024, in connection with its investigation, FINRA sent Torres a second letter pursuant to FINRA Rule 8210, requesting that he appear for testimony on October 25, 2024.

34. FINRA sent the October 10 testimony request to Torres's CRD Address by first-class U.S. Mail, certified mail, return receipt requested, and FedEx Overnight.

35. The October 10 testimony request that was sent by first-class U.S. Mail to Torres's CRD Address was not returned to FINRA.

36. The October 10 testimony request that was sent by certified mail arrived at Torres's CRD Address on October 12, 2024; however, an authorized recipient was not available to claim it and the mailing was later returned to FINRA.

37. FedEx attempted to deliver the October 10 testimony request to the CRD Address on October 11, 2024, October 14, 2024, and October 15, 2024; however, a recipient was not available to claim it. The mailing was later returned to FINRA.

38. On October 10, 2024, FINRA sent a copy of the October 10 testimony request to Torres's personal email address.

39. FINRA did not receive any notification that the copy of the October 10 request sent to Torres at his personal email address was undeliverable.

40. Torres did not appear for testimony on October 25, 2024, nor did he request an extension of that deadline.

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

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

42. FINRA Rule 8210(a)(1) provides that FINRA may "require a ... person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically ... with respect to any matter involved in [an] investigation, complaint, examination or proceeding[.]"

43. FINRA Rule 8210(a)(2) provides that FINRA 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.”

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

45. A violation of FINRA Rule 8210 also constitutes a violation of FINRA Rule 2010, which requires persons associated with a FINRA member to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

46. While subject to FINRA’s jurisdiction, Torres failed to comply with FINRA’s requests for documents and information made pursuant to FINRA Rule 8210.

47. The September 24 and October 10 requests sought documents and information that were material to FINRA’s investigation. The requested information and documents were relevant to determining whether Torres misappropriated funds from customers and other family members or forged customer documents, and they were necessary for FINRA staff to complete their investigation into whether Torres engaged in any such misconduct.

48. Torres’s failure to provide the requested information and documents in response to FINRA’s September 24 and October 10 requests impeded FINRA staff’s investigation into his conduct because it deprived FINRA staff of necessary documents and information.

49. By failing to produce the documents and information requested pursuant to FINRA Rule 8210, Torres violated FINRA Rules 8210 and 2010.

SECOND CAUSE OF ACTION
Failure to Appear for Testimony
(Violation of FINRA Rules 8210 and 2010)

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

51. FINRA Rule 8210(a)(1) provides that FINRA may “require a ... person subject to FINRA’s jurisdiction ... to testify at a location specified by FINRA staff with respect to any matter involved in [an] investigation, complaint, examination, or proceeding[.]”

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

53. Failing to appear for testimony requested pursuant to FINRA Rule 8210 is a violation of FINRA Rules 8210 and 2010.

54. While subject to FINRA’s jurisdiction, Torres failed to appear and provide testimony requested pursuant to FINRA Rule 8210.

55. Torres’s testimony was material to FINRA’s investigation concerning whether Torres misappropriated funds from customers and other family members and forged customer documents.

56. His failure to provide on-the-record testimony impeded FINRA’s investigation because FINRA staff was unable to obtain Torres’ testimony concerning the customer complaint alleging misappropriation and related conduct, including the forgery of documents.

57. Based on the foregoing, Torres 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 bears such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: January 31, 2025

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