

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Jasper E. Boykin, Jr. (CRD No. 3141703),

Respondent.

DISCIPLINARY PROCEEDING
No. 2016049508602

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between April 2016 and November 2016, Jasper E. Boykin, Jr. failed to timely respond to three requests for information and documents sent to him by FINRA Staff pursuant to FINRA Rule 8210, until after FINRA instituted Rule 9552 proceedings against him. Subsequently, between March 2017 and July 2017, Boykin completely failed to respond to three additional requests for documents sent to him by FINRA Staff pursuant to FINRA Rule 8210. Accordingly, Boykin violated FINRA Rules 8210 and 2010, both by failing to timely respond to FINRA Staff's Rule 8210 requests and, later, by completely failing to respond to them.

RESPONDENT AND JURISDICTION

2. Boykin first became registered with FINRA in February 1999, as an Investment Company and Variable Contracts Products Representative of a member of FINRA.

During all periods mentioned herein, Respondent was associated with MSI Financial Services, Inc., formerly MetLife Securities Inc. (“MSI”), and was registered with FINRA under Article V of the By-Laws as an Investment Company and Variable Contracts Products Representative.

3. On April 1, 2016, MSI filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”) for Boykin, which disclosed that Boykin was terminated from MSI on March 22, 2016 for failure to “follow Firm policy with respect to outside business activities.”
4. Although Boykin 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 the effective date of termination of Respondent’s registration with MSI, namely, April 1, 2016; and (2) the Complaint charges him with failing to respond to FINRA requests for information during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

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

5. The Department realleges and incorporates by reference paragraphs 1 - 4 above.
6. FINRA Rule 8210(a) provides that for purposes of an investigation, FINRA Staff has the right to require a person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically and to testify at a location specified by FINRA Staff.

7. FINRA Rule 8210(c) provides that, “[n]o member or person shall fail to provide information or testimony... pursuant to this Rule.”
8. FINRA Rule 8210(d) specifies that notice under Rule 8210 shall be deemed received by a current or former registered representative to whom it is directed by mailing or otherwise transmitting the notice to the last known residential address of the registered representative as reflected in FINRA’s Central Registration Depository system or “CRD” (hereinafter, “CRD Address”).
9. FINRA Rule 2010 requires member firms and associated persons to observe high standards of commercial honor and just and equitable principles of trade. Failing to comply with FINRA Staff requests for documents and information sent pursuant to Rule 8210 is conduct that is inconsistent with high standards of commercial honor and just and equitable principles of trade and, thus, violates Rule 2010.
10. After receipt of MSI’s Form U5 filing for Boykin, FINRA Staff opened an investigation into whether Boykin had failed to disclose certain outside business activities (“OBAs”).
11. On April 12, 2016, pursuant to FINRA Rule 8210, FINRA Staff sent Boykin a request for documents and information regarding his OBAs (the “April 12, 2016 Request”). Boykin’s response to the request was due on or before April 26, 2016.
12. The April 12, 2016 Request was sent by both certified mail and first class U.S. mail to Boykin’s CRD Address in Atlanta, Georgia.
13. The certified mailing and first class mailing for the April 12, 2016 Request sent to Boykin’s CRD Address were not returned to FINRA. Information for the certified

mailing shown on the USPS.com tracking website states “Notice Left (No Authorized Recipient Available)” at Boykin’s CRD Address on April 16, 2016.

14. Boykin failed to respond to the April 12, 2016 Request by April 26, 2016, as requested by FINRA Staff.
15. On May 17, 2016, pursuant to FINRA Rule 8210, FINRA Staff sent a second request to Boykin (the “May 17, 2016 Request”) requesting that he provide the documents and information sought by the April 12, 2016 Request no later than May 31, 2016.
16. The May 17, 2016 Request was sent by both certified mail and first class U.S. mail to Boykin’s CRD Address in Atlanta, Georgia.
17. The return receipt for the certified mailing of the May 17, 2016 Request was returned to FINRA reflecting delivery, but the signature on the return receipt was illegible. The first class mailing of the May 17, 2016 Request was not returned to FINRA.
18. Boykin failed to respond to the May 17, 2016 Request by May 31, 2016, as requested by FINRA Staff.
19. On June 13, 2016, Boykin provided a partial response to FINRA Staff’s May 17, 2016 Request via email, but his response was insufficient because it did not fully answer the questions posed by the April 12, 2016 and May 17, 2016 Requests or provide requested documentation. Specifically, Boykin failed to state whether MSI approved a specific OBA involving a bank identified by FINRA Staff, failed to address whether MSI customers were solicited to invest in the bank OBA, and failed to state whether he received compensation from any outside sources other than the

bank OBA while employed with MSI. Boykin also failed to provide copies of all documents relating to the matter, as requested by FINRA Staff.

20. On July 14, 2016, pursuant to FINRA Rule 8210, FINRA Staff sent a third request to Boykin (the "July 14, 2016 Request") requesting that Boykin provide the deficient information and documents by July 26, 2016.
21. The July 14, 2016 Request was sent to Boykin's CRD address by certified mail and first class mail. The certified mailing was returned to FINRA marked "Return to Sender, Unclaimed, Unable to Forward." The first class U.S. mailing sent to Boykin's CRD Address was not returned to FINRA.
22. Boykin failed to respond to the July 14, 2016 Request by July 26, 2016, as requested by FINRA Staff.
23. On August 1, 2016, FINRA Staff also emailed the July 14, 2016 Request to Boykin via the email address he used to provide his June 13, 2016 response (the "First Email Address"). FINRA Staff's email to Boykin noted that the July 14, 2016 Request was inadvertently not sent by email as originally stated in the request. For this reason, FINRA Staff advised Boykin that it had unilaterally extended his deadline for responding to the July 14, 2016 Request until August 9, 2016. FINRA Staff has no indication that the First Email Address was not a valid email address for Boykin or that Staff's August 1, 2016 email message sending the July 14, 2016 Request to Boykin was otherwise undeliverable.
24. Boykin failed to respond to the July 14, 2016 Request by August 9, 2016, as requested by FINRA Staff.

25. As a result of Boykin's repeated failure to timely and fully respond to FINRA Staff's Rule 8210 requests for documents and information, FINRA Staff initiated an expedited proceeding against Boykin pursuant to FINRA Rule 9552.
26. On August 9, 2016, FINRA Staff sent Boykin a Notice of Suspension Letter ("Notice Letter") by certified mail and first class mail to Boykin's CRD address and via email to the First Email Address, which Boykin had used to communicate with FINRA Staff. The Notice Letter was also sent by FINRA Staff to a second mailing address for Boykin (the "Second Address"), which was identified by FINRA Staff through a Lexis Nexis search on or about August 9, 2016.
27. The Notice Letter informed Boykin that he would be suspended on September 2, 2016, pursuant to FINRA Rule 9552, for failure to respond to the April 12, 2016, May 17, 2016, and July 14, 2016 Requests, attached thereto.
28. The certified mailing of the Notice Letter to Boykin's CRD Address was returned to FINRA marked "Return to Sender, Unclaimed, Unable to Forward." The first class mailing of the Notice Letter to Boykin's CRD Address was not returned to FINRA. The certified receipt for the Notice Letter sent to the Second Address was returned to FINRA Staff, but it was unsigned. Information on the USPS.com tracking website for the certified mailing of the Notice Letter to the Second Address states that the letter was "Delivered, Left with Individual." The first class mailing of the Notice Letter sent to the Second Address was also not returned to FINRA. FINRA Staff has no indication that the First Email Address used to send the Notice Letter to Boykin was not a valid email address for Boykin or that Staff's August 9, 2016 email message sending the Notice Letter was otherwise undeliverable.

29. On September 2, 2016, FINRA Staff sent Boykin a Suspension Letter (“Suspension Letter”) by certified mail and first class mail to Boykin’s CRD address, the Second Address, and a third address (the “Third Address”) identified by FINRA Staff through the aforementioned Lexis Nexis search. FINRA Staff also sent a copy of the Suspension Letter to Boykin using the First Email Address.
30. The Suspension Letter informed Boykin that he was suspended as of September 2, 2016 and would be barred as of November 14, 2016, if he did not request termination of the suspension pursuant to FINRA Rule 9552.
31. The first class mailings of the Suspension Letter sent to Boykin’s CRD Address, the Second Address, and the Third Address were not returned to FINRA. The certified mailing of the Suspension Letter to Boykin’s CRD Address was returned to FINRA marked “Return to Sender, Unclaimed, Unable to Forward.” Information for the certified mailing to the Second Address on the USPS.com tracking website states, “Delivered, Left with Individual”; FINRA, however, did not receive a return receipt for this certified mailing. The certified mailing sent to the Third Address was returned to FINRA marked “Return to Sender, Unclaimed, Unable to Forward.” FINRA Staff has no indication that the First Email Address used to send the Suspension Letter to Boykin was not a valid email address for Boykin or that Staff’s September 2, 2016 email sending the Suspension Letter was otherwise undeliverable.
32. On October 28, 2016, Boykin responded to the Suspension Letter from a new, different email address (the “Second Email Address”).¹ Boykin’s emailed response, however, was insufficient because it failed to fully address the questions posed by the April 12, 2016 and May 17, 2016 Requests. Specifically, Boykin failed to address

¹ The Second Email Address was not known to FINRA Staff during prior mailings.

whether any MSI customers were solicited to invest in the bank OBA or purchase any bank OBA products and failed to state whether he received compensation from any outside sources other than the bank OBA while employed with MSI.

33. On November 15, 2016, FINRA Staff sent Boykin an email via the Second Email Address informing him that his October 28, 2016 response was insufficient for the reasons stated above. Nevertheless, FINRA Staff unilaterally granted Boykin an extension of time through and until November 18, 2016 to provide FINRA Staff with the remaining outstanding information.
34. On November 16, 2016, Boykin responded to FINRA Staff's email in two separate emails sent from the Second Email Address and provided a substantive response to FINRA Staff's outstanding requests.
35. On November 22, 2016, in light of Boykin's responses, FINRA terminated Boykin's suspension and the Rule 9552 proceedings against him.
36. The documents and information requested by FINRA Staff regarding Boykin's bank OBA were material to FINRA's investigation. Boykin's untimely response impeded and substantially delayed FINRA's investigation concerning his alleged failure to disclose his bank OBA. FINRA relied on Boykin to timely and fully provide the requested documents and information due to FINRA's limited jurisdiction to obtain the documents and information through other sources.
37. In fact, over seven months passed from the time of FINRA's initial April 12, 2016 Request regarding Boykin's bank OBA until Boykin finally fully responded with the requested information on November 16, 2016. During that time, FINRA sent Boykin

three different Rule 8210 request letters, but still he failed to fully respond to FINRA Staff's Rule 8210 requests. It was only after FINRA underwent the extraordinary regulatory effort of filing a Rule 9552 proceeding against Boykin that he finally provided FINRA Staff with the requested information.

38. By virtue of the foregoing, Boykin violated FINRA Rules 8210 and 2010 because he failed to timely respond to FINRA Staff's April 12, 2016, May 17, 2016, and July 14, 2016 Requests sent to him pursuant to Rule 8210.

SECOND CAUSE OF ACTION

**Failure to Respond to FINRA Requests for Information and Documents
(Violation of FINRA Rules 8210 and 2010)**

39. The Department realleges and incorporates by reference paragraphs 1-38 above.
40. Following the termination of Boykin's suspension and the Rule 9552 proceedings against him, FINRA Staff renewed its investigation of Boykin's failure to disclose OBAs.
41. On March 28, 2017, pursuant to FINRA Rule 8210, FINRA Staff sent a letter to Boykin (the "March 28, 2017 Request"),² requesting the following: (i) a copy of all bank account statements for all personal or business bank accounts maintained or controlled by Boykin for the period January 1, 2015 to March 31, 2016; and (ii) a copy of all personal and business federal and state tax returns with all attachments, including Form 1099s, K-1s, and all income related schedules, filed by Boykin for 2015, in connection with its investigation. The deadline for Boykin's response to the March 28, 2017 Request was April 14, 2017.

² The examination into Boykin's OBAs was reassigned to the New Orleans District Office in late-February 2017. After the matter was reassigned and the file reviewed, FINRA Staff made a determination that additional information was needed from Boykin and the March 28, 2017 Request was issued.

42. The March 28, 2017 Request was sent by certified mail and first class U.S. mail to Boykin's CRD address and to the Second Email Address, which Boykin had most recently used to communicate with FINRA Staff.
43. The certified mailing of the March 28, 2017 Request sent to Boykin's CRD Address was returned to FINRA marked "Return to Sender, Not Deliverable as Addressed, Unable to Forward." The first class mailing of the March 28, 2017 Request sent to Boykin's CRD Address was not returned to FINRA. FINRA Staff has no indication that the Second Email Address used to send Boykin the March 28, 2017 Request was not a valid email address for Boykin or that Staff's email sending the March 28, 2017 Request was otherwise undeliverable.
44. On April 14, 2017, Boykin acknowledged receipt of FINRA Staff's March 28, 2017 Request by sending FINRA Staff an email from the Second Email Address. In his April 14 email, Boykin stated, "I have order [sic] the bank documents you requested, and I have not received them to date. I hope to have them in early next week. I will forward via email and real mail once received." FINRA Staff replied to Boykin's email stating that his response to the March 28, 2017 Request was currently due April 14, 2017, pursuant to FINRA Rule 8210, and asked Boykin, "If you are requesting an extension of time to respond, please provide a reasonable and specific date by which you can commit to provide this information." Boykin did not reply to FINRA Staff's email regarding a potential extension of time to respond.
45. On April 24, 2017, pursuant to FINRA Rule 8210, FINRA Staff sent a second letter (the "April 24, 2017 Request") requesting that Boykin provide the documents that were the subject of the March 28, 2017 Request no later than May 8, 2017.

46. The April 24, 2017 Request was sent by certified mail and first class U.S. mail to Boykin's CRD address and to the Second Email Address.
47. The certified mailing of the April 24, 2017 Request sent to Boykin's CRD Address was returned to FINRA on May 23, 2017 and marked "Unclaimed." The first class mailing of the April 24, 2017 Request to Boykin's CRD Address was not returned. FINRA Staff has no indication that Second Email Address used to send the April 24, 2017 Request to Boykin was not a valid email address for Boykin or that Staff's email sending the April 24, 2017 Request was otherwise undeliverable.
48. Boykin failed to respond to the April 24, 2017 Request by May 8, 2017, as requested by FINRA Staff.
49. On June 29, 2017, pursuant to FINRA Rule 8210, FINRA Staff sent a third letter (the "June 29, 2017 Request") requesting that Boykin provide the documents that were the subject of the March 28, 2017 and April 24, 2017 Requests by no later than July 14, 2017.
50. The June 29, 2017 Request was sent by certified mail and first class mail to Boykin's CRD Address, the Second Address, and five additional potential mailing addresses for Boykin (the "Third Address," "Fourth Address," "Fifth Address," "Sixth Address" and "Seventh Address") identified by FINRA Staff. The June 29, 2017 Request was also sent to Boykin's First Email Address, the Second Email Address, and two additional email addresses for Boykin (the "Third Email Address" and "Fourth Email Address") identified by FINRA Staff. The additional mailing and email addresses for Boykin were identified by FINRA Staff through a review of the Rule 9552 proceeding file and a LexisNexis search.

51. Information for the certified mailings of the June 29, 2017 Request on the USPS.com tracking website indicate: (i) for the certified mailing sent to Boykin’s CRD Address, “Notice Left (No Authorized Recipient Available)” as of July 1, 2017; (ii) for the certified mailing sent to the Second Address, “Business Closed” as of July 1, 2017; (iii) for the certified mailing sent to the Third Address, “Notice Left (No Authorized Recipient Available)” as of July 1, 2017; (iv) for the certified mailing sent to the Fourth Address, “Business Closed” as of July 1, 2017; (v) for the certified mailing sent to the Fifth Address, “Notice Left (No Authorized Recipient Available)” as of July 1, 2017; (vi) for the certified mailing sent to the Sixth Address, “Delivered, Front Desk/Reception” as of July 5, 2017—FINRA also received an electronic copy of the signature for the certified mailing sent to the Sixth Address, but the signature is illegible; and (vii) for the certified mailing sent to the Seventh Address, “Delivered, Left with Individual” as of July 3, 2017—FINRA also received an electronic copy of the signature for the certified mailing sent to the Seventh Address, which appears to be signed by a “S. Knight.” None of the first class mailings to any of the addresses were returned to FINRA. The Third and Fourth Email Addresses used by FINRA Staff to send the June 29, 2017 Request resulted in a failed delivery receipt. FINRA Staff has no indication that the First or Second Email Addresses used to send the June 29, 2017 Request were not valid email addresses for Boykin or that the Staff’s emails sending the June 29, 2017 Request to the First and Second Email Addresses were otherwise undeliverable.
52. Boykin failed to respond to the June 29, 2017 Request by July 14, 2017, as requested by FINRA Staff.

53. Boykin failed to respond to the March 28, 2017 Request, April 24, 2017 Request, and June 29, 2017 Request and, to date, has not provided any of the documents requested by FINRA Staff in those requests.
54. The requested documents were material to FINRA's investigation concerning whether Boykin received compensation from unapproved OBAs. Because the financial documentation requested by FINRA is under Boykin's custody and control, and he failed to provide such documents in response to FINRA staff's repeated requests, FINRA has been unable to complete its investigation.
55. By virtue of the foregoing, Boykin violated FINRA Rules 8210 and 2010 by failing to respond to FINRA Staff's March 28, 2017, April 24, 2017, and June 29, 2017 Requests, after Rule 9552 proceedings had been initiated against him due to his earlier failure to fully and timely respond to Rule 8210 requests.

RELIEF REQUESTED

WHEREFORE, the Department 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: October 16, 2017



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