

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

Department of Enforcement,

Complainant,

v.

Timothy P. Higgins
CRD No. 2282547,

Respondent.

Disciplinary Proceeding
No. 2018056490303

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Timothy P. Higgins (“Higgins” or “Respondent”) failed to appear and provide testimony requested pursuant to FINRA Rule 8210 on two occasions. As a result, Higgins violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Higgins first registered with FINRA as a General Securities Representative (GS) through a member firm in February 1993. Between February 1993 and April 2015, Higgins was registered with FINRA as a GS through various member firms.

3. In April 2015, Higgins registered with FINRA as a GS through Spartan Capital Securities, LLC (CRD No. 146251).

4. On July 7, 2020, Spartan Capital filed a Form U5 terminating Higgins’s registration through the firm.

5. Although Higgins 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 July 7, 2020, which was the effective date of termination of Higgins's registration with Spartan Capital, and (2) the Complaint charges him with 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.

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

6. The Department of Enforcement realleges and incorporates by reference all paragraphs above.

7. FINRA Rule 8210(a)(1) provides that FINRA staff 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."

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

9. FINRA Rule 2010 requires member firms and associated persons to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

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

11. FINRA staff was conducting an investigation into Higgins's trading in two of his customers' accounts because the accounts had indicia of having been excessively traded between January 2017 and August 2019.

12. On March 29, 2022, FINRA staff sent Higgins a letter pursuant to FINRA Rule 8210 requesting that he appear for testimony on April 13, 2022, in connection with FINRA's investigation of Higgins's trading of the two customer accounts (the "First Testimony Request").

13. FINRA staff sent the First Testimony Request by certified mail, return receipt requested, and first-class mail, to Higgins's address as reflected in the Central Registration Depository (CRD) (the "CRD Address") and to a second potential address that FINRA identified for Higgins through a Lexis-Nexis search (the "Second Address").

14. The First Testimony Requests sent by certified mail to both the CRD Address and the Second Address were "returned to the sender" because "the addressee was not known at the delivery address noted on the package." The First Testimony Requests sent by first-class mail to the CRD Address and the Second Address were not returned to FINRA.

15. Higgins did not appear for testimony on April 13, 2022, nor did he request an extension of the testimony date.

16. On April 13, 2022, FINRA staff sent Higgins a letter pursuant to FINRA Rule 8210, requesting that he appear for testimony on May 3, 2022, in connection with FINRA's investigation (the "Second Testimony Request").

17. FINRA staff sent the Second Testimony Request by certified mail, return receipt requested, and first-class mail, to his CRD Address and the Second Address.

18. The Second Testimony Requests sent by certified mail to the CRD Address and the Second Address were returned to FINRA and the tracking information for both indicate that the addressee "moved" and "left no address." The Second Testimony Request sent by first-class mail to the CRD Address was returned to FINRA marked "RETURN TO SENDER[,] NOT DELIVERABLE AS ADDRESSED[,] UNABLE TO FORWARD." The Second Testimony

Request sent by first-class mail to the Second Address was returned to FINRA marked “RETURN TO SENDER[,] REFUSED[,] UNABLE TO FORWARD.”

19. Higgins did not appear for testimony on May 3, 2022, nor did he request an extension of the testimony date.

20. Higgins’s testimony was material to FINRA staff’s investigation into whether Higgins engaged in misconduct when he traded the two customers’ accounts and was necessary for FINRA staff to complete its investigation into whether Higgins made unsuitable recommendations to the two customers.

21. Higgins’s failure to appear for testimony has impeded FINRA staff’s investigation into his conduct.

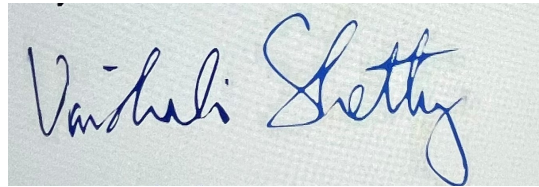
22. By failing to appear for testimony as requested pursuant to FINRA Rule 8210, Higgins violated FINRA Rules 8210 and 2010.

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: June 17, 2022

Vaishali Shetty, Senior Counsel
Matthew Minerva, Director
FINRA Department of Enforcement
Two Jericho Plaza, Suite 307
Jericho, New York 11753
Phone: (516) 827-6137 (Shetty)
(516) 827-6116 (Minerva)
Email: vaishali.shetty@finra.org
matthew.minerva@finra.org

Kay Lackey, Chief Counsel
FINRA Department of Enforcement
Brookfield Place, 200 Liberty Street
11th Floor
New York, New York 10281
Phone: (646) 315-7301
Email: kay.lackey@finra.org