

**BEFORE THE
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC**

In the Matter of the Application of

Joseph Gordon Nelson

For Review of Action Taken by

Financial Industry Regulatory Authority

File No. 3-22595

**FINRA'S MOTION TO DISMISS THE APPLICATION FOR REVIEW AND TO STAY
THE BRIEFING SCHEDULE**

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I. INTRODUCTION

Applicant Joseph Gordon Nelson appeals the bar FINRA imposed in a FINRA Rule 9552 expedited proceeding for his failure to comply with FINRA’s requests for on-the-record testimony pursuant to FINRA Rule 8210. After Nelson filed this application for review, however, FINRA vacated the bar and withdrew, without prejudice, the suspension notices it previously sent Nelson in the expedited proceeding. Nelson, therefore, is not prohibited from associating with a FINRA member. The Commission should dismiss Nelson’s application for review because it lacks jurisdiction over this appeal. Specifically, because Nelson is not subject to a final disciplinary sanction imposed by FINRA, the Commission lacks jurisdiction to review this appeal under Section 19(d) of the Securities Exchange Act of 1934 (“Exchange Act”).

Even if the Commission determines that it has jurisdiction, it should dismiss Nelson’s application for review because it is moot. Because FINRA vacated the bar and withdrew, without prejudice, the suspension notices, Nelson no longer is prohibited from associating with a FINRA member. Therefore, even a favorable decision by the Commission will not provide

Nelson with any effective relief.¹ Nelson has no cognizable interest in the outcome of this application for review, and the Commission should dismiss it.

II. FACTUAL AND PROCEDURAL BACKGROUND

A. Nelson Fails Twice to Appear for Testimony Pursuant to FINRA Rule 8210

In June 2025, FINRA’s Department of Enforcement (“Enforcement”) commenced an investigation to determine whether Nelson had violated the federal securities laws or FINRA, NASD, or MSRB rules. RP 1.² On June 3, 2025, FINRA staff sent a letter to Nelson, pursuant to FINRA Rule 8210,³ requesting that he appear by internet videoconference and provide on-the-record testimony before FINRA staff on July 11, 2025.⁴ RP 1-5.

In the subsequent weeks, FINRA staff communicated with Nelson via email to, among other things, confirm the date and time of his scheduled testimony and to send the

¹ Pursuant to Commission Rule of Practice 161, FINRA also moves to stay the briefing schedule in this matter while this motion is pending. 17 C.F.R. § 201.161. The Commission should first evaluate the dispositive arguments that Nelson’s appeal should be dismissed on procedural grounds before it reaches the underlying substance of this appeal.

² “RP __” refers to the page numbers in the certified record filed with the Commission by FINRA on March 3, 2026.

³ FINRA Rule 8210 requires FINRA members and persons subject to FINRA’s jurisdiction “to provide information orally, in writing, or electronically . . . and to testify at a location to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding.” FINRA Rule 8210(a)(1).

⁴ The record establishes, and Nelson does not dispute, that FINRA properly served the Rule 8210 requests and notices in the subsequent Rule 9552 expedited proceeding in accordance with FINRA Rules 8210(d), 9552(b), and 9134, by mailing them to Nelson’s CRD address. *See* RP 1, 33, 61, 233, 275, 281, 288, 291, 313. FINRA also sent these documents to Nelson via the email address that he has used throughout the proceedings to communicate with FINRA staff, and thus, Nelson had actual notice of the proceedings. *See* RP 1, 61, 233, 275, 281, 288, 291, 313.

videoconference details. RP 25, 27-29. On July 10, 2025, the day before his scheduled on-the-record testimony, Nelson emailed FINRA staff, RP 35-36, and stated that he “w[ould] NOT be attending [the] Zoom hearing on July 11th.” RP 36. That same day, FINRA staff acknowledged receipt of Nelson’s email, and informed him that his failure to appear for testimony would not end FINRA’s investigation, that the staff would go on the record on July 11 as scheduled, and that his “failure to appear for testimony as requested pursuant to FINRA 8210 may result in the initiation of disciplinary proceedings for violating FINRA Rules 8210 and 2010 and could lead to disciplinary action and the imposition of sanctions, including a bar from association with any FINRA member firm, suspension, censure and/or fine.” RP 35.

On July 11, 2025, FINRA staff proceeded with Nelson’s on-the-record testimony as scheduled. RP 41-59. Nelson, however, did not appear. RP 51-52. Consequently, FINRA staff adjourned the internet videoconference and closed the record without securing Nelson’s sworn testimony. RP 51-52.

On July 21, 2025, FINRA sent a second letter, pursuant to FINRA Rule 8210, requesting that Nelson appear by internet videoconference and provide on-the-record testimony before FINRA staff on September 4, 2025. RP 61-81. The second letter, which attached the first Rule 8210 request letter, informed Nelson that because he failed to appear for the scheduled on-the-record testimony on July 11, 2025, he was in violation of FINRA Rule 8210. RP 61-62. The second letter additionally warned that, if Nelson failed to appear and testify on September 4, 2025, or obtain an agreement to reschedule that testimony, FINRA may commence an expedited or formal disciplinary proceeding that could lead to the imposition of sanctions up to, and including, a bar from association with any FINRA member firm. RP 61.

In a recorded voice message left on FINRA staff's voicemail on July 25, 2025, Nelson confirmed that he received FINRA's "paperwork in the mail" and indicated that he was not inclined to appear before FINRA and testify under oath because the staff purportedly "ended [his] career" and thus he "c[ould]not work in this industry anymore." RP 109. On August 8, 2025, FINRA staff informed Nelson via email that his on-the-record testimony would proceed as scheduled on September 5, 2025, and reminded him of the disciplinary actions that FINRA could take should he fail to appear. RP 111-12.

On September 4, 2025, for the second time, FINRA staff proceeded with on-the-record testimony and went on the record as scheduled. RP 157-71. Nelson, however, did not appear. RP 165. Consequently, FINRA staff adjourned the internet videoconference and, again, closed the record without securing Nelson's sworn testimony. RP 165.

B. FINRA Commences an Expedited Proceeding and Ultimately Bars Nelson for Failing to Comply with FINRA Rule 8210

Nelson twice failed to appear for testimony. Accordingly, FINRA commenced an expedited proceeding, pursuant to FINRA Rule 9552.⁵ In a letter dated October 14, 2025 ("Pre-Suspension Notice"), FINRA notified Nelson that his failure to testify pursuant to FINRA Rule 8210, as directed in its June 3 and July 21, 2025 request letters, would subject him to a

⁵ FINRA Rule 9552(a) states:

If a member, person associated with a member or person subject to FINRA's jurisdiction fails to provide any information, report, material, data, or testimony requested or required to be filed pursuant to the FINRA By-Laws or FINRA rules, or fails to keep its membership application or supporting documents current, FINRA staff may provide written notice to such member or person specifying the nature of the failure and stating that the failure to take corrective action within 21 days after service of the notice will result in suspension of membership or of association of the person with any member.

suspension from association with any FINRA member in any capacity and such suspension would take place on November 7, 2025. RP 233-59. The Pre-Suspension Notice advised Nelson that he could avoid the suspension if he took corrective action by complying with the Rule 8210 request letters before the suspension date. RP 233-34. It also advised him that he may request a hearing before the suspension date, and that doing so would stay the effective date of the suspension.⁶ RP 233-34.

About a week later, Nelson acknowledged via email that he received the Pre-Suspension Notice and provided what appeared to be his explanation of details “[c]oncerning this matter.” RP 269-70. Nelson, however, did not comply with the Rule 8210 requests by scheduling a new date for on-the-record testimony. Nor did he request a hearing.

Accordingly, FINRA notified Nelson that, as of November 7, 2025, he was suspended from association with a FINRA member in any capacity (“Suspension Notice”). RP 275-76. The Suspension Notice further informed Nelson that he could request termination of the suspension in writing on the grounds that he complied fully with the Rule 8210 requests, but that if he failed to do so within three months of the October 14, 2025 Pre-Suspension Notice, he would automatically be barred from associating with any member firm in any capacity.⁷ RP 275.

On January 20, 2026, FINRA notified Nelson that, pursuant to FINRA Rule 9552(h), he was barred from association with any FINRA member in all capacities (“Bar Notice”). RP 281-82. The Bar Notice also informed Nelson that, should he wish to appeal FINRA’s action to the Commission, he must do so within thirty days of his receipt of the notice. RP 281.

⁶ See FINRA Rule 9552(c) and (e); *see also* FINRA Rule 9559.

⁷ See FINRA Rule 9552(f).

Unbeknownst to FINRA, however, on or about January 13, 2026, Nelson had mailed a letter via USPS Priority Mail Express to the appropriate FINRA staff requesting termination of the suspension, and it was available for pickup on January 15, 2026. RP 288-91, 293-94. FINRA, however, did not receive Nelson’s letter from the U.S. post office until January 22, 2026, which was two days after FINRA barred him. RP 287. On January 22, 2026, FINRA staff emailed Nelson acknowledging receipt of his letter and requested his availability to discuss his status.⁸ RP 287.

On February 17, 2026, Nelson timely submitted an application for review to the Commission, seeking reinstatement of his “FINRA License.” RP 313-22.

C. FINRA Vacates the Bar and Withdraws the Suspension

In a letter dated March 20, 2026, FINRA notified Nelson that it voluntarily vacated the bar, and withdrew, without prejudice, the Pre-Suspension Notice and the Suspension Notice issued pursuant to Rule 9552 (“Bar Vacatur and Suspension Withdrawal Letter”).⁹ The Bar Vacatur and Suspension Withdrawal Letter informed Nelson that this “does not mean and shall not be construed as acknowledgment that you took any corrective action in response to” the bar or notices, that “FINRA’s requests for on-the-record testimony sent pursuant to Rule 8210 . . . remain outstanding,” and that he remains “obligated under FINRA Rule 8210 to comply with those requests.” It further stated that FINRA’s decision was “based solely on the circumstance that your written request for termination . . . apparently crossed in the mail with the Bar [Notice] dated January 20, 2026.” The Bar Vacatur and Suspension Withdrawal Letter also provided

⁸ From January 22 to February 10, 2026, there were several attempts made by FINRA staff and Nelson to schedule a discussion meeting—all to no avail. *See, e.g.*, RP 297-311.

⁹ A copy of Enforcement’s letter is attached herein as Exhibit A.

Nelson “a 30-day window in which to remedy [his] default” and stated that, because he has not complied with FINRA’s Rule 8210 requests, FINRA may pursue another action against him, including, but not limited to, initiating an expedited proceeding or disciplinary proceeding for his failure to comply with FINRA Rule 8210.

Consequently, as of March 20, 2026, Nelson is neither barred nor suspended from associating with a FINRA member.

III. ARGUMENT

The Commission should dismiss this appeal on the grounds that it lacks jurisdiction under Section 19(d) of the Exchange Act because Nelson is no longer subject to a final disciplinary sanction. Alternatively, the Commission should dismiss this appeal because it is moot. FINRA has vacated the bar and withdrawn without prejudice the Pre-Suspension and Suspension Notices, and currently, Nelson is permitted to associate with a FINRA member. Because the bar is no longer in effect, there is no relief for Nelson to obtain from this appeal to the Commission. Thus, the Commission should dismiss it.

A. The Commission Lacks Jurisdiction over This Appeal

Section 19(d) of the Exchange Act establishes the Commission’s statutory authority to review certain actions by self-regulatory organizations (“SROs”) like FINRA. 15 U.S.C. § 78s(d). Section 19(d)(1), in particular, authorizes Commission review of an SRO action that: (1) imposes any final disciplinary sanction on any member or person associated with a member; (2) denies membership or participation to any applicant; (3) prohibits or limits any person with respect to access to services offered by the SRO; or (4) bars any person from being associated with a member. *See* 15 U.S.C. § 78s(d)(1); *see also Sky Cap. LLC*, Exchange Act Release No. 55828, 2007 SEC LEXIS 1179, at *9 (May 30, 2007) (finding the dismissal of an application for

review is appropriate when none of the four jurisdictional bases for Commission review under Section 19(d) were established).

The Commission consistently has held that its jurisdiction under Exchange Act Section 19(d) requires a “live sanction,” meaning “a sanction that exists at the time of review for [the Commission] to potentially affirm, modify, or set aside.” *Alpine Sec. Corp.*, Exchange Act Release No. 89685, 2020 SEC LEXIS 4008, at *5 (Aug. 26, 2020) (internal quotation marks and citation omitted); *see also Dakota Sec. Int’l, Inc.*, Exchange Act Release No. 85238, 2019 SEC LEXIS 288, at *7-8 (Mar. 1, 2019). As the Ninth Circuit explained in *Sharemaster v. SEC*, “if FINRA imposed a disciplinary sanction but then fully retracted the sanction by, for example, setting aside a suspension and returning any fine levied, it would make little sense for the Commission to proceed with review.” 847 F.3d 1059, 1068 (9th Cir. 2017). The Commission’s holding that Exchange Act Section 19(d) requires a live sanction avoids this outcome.

Indeed, the Commission has dismissed applications for review for a lack of jurisdiction when the SRO lifted the sanction imposed or never imposed a sanction. *See, e.g., Alpine Sec. Corp.*, 2020 SEC LEXIS 4008, at *5 (dismissing an application for review on jurisdictional grounds because FINRA lifted the suspension imposed in an expedited proceeding after the appeal was filed); *Dakota Sec. Int’l, Inc.*, 2019 SEC LEXIS 288, at *8-9 (dismissing an application for review for lack of jurisdiction when a suspension was never imposed because the applicant paid the required fees before the effective date of the suspension).

Similarly, here, FINRA vacated the bar previously imposed on Nelson and withdrew the suspension notices without prejudice. Thus, there currently is no sanction in effect on Nelson that prevents him from associating with a FINRA member. Accordingly, the Commission does not have jurisdiction and should dismiss Nelson’s application for review on this basis.

B. Nelson’s Application for Review Is Moot

Alternatively, the Commission should dismiss this appeal on the grounds that it is moot. As the Commission recently explained, “Exchange Act Section 19(d) authorizes ‘aggrieved’ persons to seek review of specified SRO actions,” and the Commission has “dismissed as moot challenges filed under Section 19(d) where the SRO requirement or action at issue has been superseded or vacated.” *Alpine Sec. Corp.*, Exchange Act Release No. 98868, 2023 SEC LEXIS 3223, at *21 (Nov. 6, 2023).

In *Alpine*, the rules at issue on appeal had been repealed, and thus the Commission “could not grant any relief with respect to Alpine’s challenge to them.” *Id.* at *22-23. Because there was “no effective relief” that the Commission could grant, it found the application for review moot. *Id.* at *24; *see also Sebastian G. Bongiovanni*, Exchange Act Release No. 101863, 2024 SEC LEXIS 3412, at *1 (Dec. 10, 2024) (dismissing as moot an application for review of disciplinary action by FINRA where FINRA had vacated the bar that formed the basis for the application for review); *Blair Edwards Olsen*, Exchange Act Release No. 93216, 2021 SEC LEXIS 2978, at *10 (Sept. 30, 2021) (dismissing an application for review on mootness grounds when FINRA vacated the challenged bar during the pendency of the appeal); *Michael A. Sparks*, Exchange Act Release No. 81787, 2017 SEC LEXIS 3106, at *2 (Sept. 29, 2017) (dismissing as moot an application for review of a bar imposed under Rule 9552 because FINRA vacated the bar during the pendency of the appeal); *Keath Allen Ward*, Exchange Act Release No. 66173, 2012 SEC LEXIS 160, at *2 (Jan. 18, 2012) (same); *Marshall Fin., Inc.*, Exchange Act Release No. 48917, 2003 SEC LEXIS 2956, at *2 (Dec. 12, 2003) (explaining that an application for review will be dismissed “as moot unless the complaining party has suffered some actual injury that can be redressed by a favorable judicial decision”). So too here.

Nelson seeks to set aside a bar that FINRA vacated. Consequently, Nelson is no longer aggrieved by a final disciplinary sanction, and thus there is no effective relief for the Commission to grant him. The appeal is moot, and the Commission should dismiss it on this basis.

IV. CONCLUSION

The Commission should dismiss this appeal because, under Section 19(d) of the Exchange Act, the Commission lacks jurisdiction to hear it. Alternatively, the Commission should dismiss this appeal as moot because FINRA vacated the bar, Nelson is no longer prohibited from associating with a FINRA member, and thus even a favorable decision by the Commission would not entitle him to any effective relief.

Respectfully submitted,

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March 26, 2026

CERTIFICATE OF SERVICE

I, Lisa Jones Toms, certify that on this 26th day of March 2026, I caused a copy of FINRA's Motion to Dismiss the Application for Review and to Stay the Briefing Schedule, In the Matter of the Application of Joseph Gordon Nelson, Administrative Proceeding File No. 3-22595, to be filed through the SEC's eFAP system on:

Vanessa Countryman, Secretary
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and served by electronic mail on:

Joseph Gordon Nelson



/s/ Lisa Jones Toms

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CERTIFICATE OF COMPLIANCE

I, Lisa Jones Toms, certify that FINRA's Motion to Dismiss the Application for Review and to Stay the Briefing Schedule complies with the Commission's Rules of Practice by omitting or redacting any sensitive personal information described in Rule of Practice 151(e).

Respectfully submitted,

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