



December 19, 2023

**VIA EMAIL & FILED ON eFAP**

Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington DC 20549  
[Secretarys-office@sec.gov](mailto:Secretarys-office@sec.gov)

**Re: Christopher Robert Arnold, CRD No. 5908774**  
**Financial Industry Regulatory Authority**  
**FINRA Matter No. 2022073302001**

Dear Madame Secretary,

Our firm represents Mr. Christopher Robert Arnold in connection with this Application for Review to the U.S. Securities and Exchange Commission (the “Commission”) pursuant to Rule 19d-2 of the General Rules and Regulations under the Securities Exchange Act of 1934 and Rule 420 of the Commission’s Rules of Practice, 17 CFR § 201.420 for review of the Financial Industry Regulatory Authority’s (“FINRA”) decision to impose a bar against Mr. Arnold pursuant to FINRA Rule 9552.

Mr. Christopher Robert Arnold’s application follows.<sup>1</sup>

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<sup>1</sup> Copies of the relevant correspondence with FINRA are attached with this application.

### Application

Mr. Christopher Robert Arnold was requested by FINRA to appear for on-the-record testimony pursuant to FINRA Rule 8210. FINRA's 8210 requests were made through letters sent via First Class Mail, which were dated between October 3, 2022, and April 10, 2023. However, because Mr. Arnold had left his job, moved from his residence, and had not yet updated his CRD address with FINRA, Mr. Arnold did not receive any of FINRA's letters. Mr. Arnold had already physically moved away from his CRD address prior to receiving the FINRA letters. As a result, FINRA barred Mr. Arnold from associating with any FINRA member in any capacity after Mr. Arnold failed to appear.

Following attempts to address and correct this issue, including providing FINRA with Mr. Arnold's current address and evidence confirming that Mr. Arnold was not residing at or present at his CRD address on any of the dates on which FINRA's letters were delivered and allegedly signed for, FINRA upheld the bar against Mr. Arnold.

It is our position that FINRA's bar of Mr. Arnold is punitive, excessive, and oppressive. "The purpose of a sanction is to protect investors, not to penalize brokers, although deterrence may be an additional consideration as part of the overall remedial inquiry."); May Capital Grp., Exchange Act Release No. 53796, 2006 WL 1312955, at \*5 n.32 (May 12, 2006) (stating that whether "taken by this Commission or the NASD, the purpose of all [disciplinary actions under the Exchange Act] is remedial, not penal" because they are "not designed to punish, but to protect the public interest against further risk of harm") (alteration in original) (internal quotation marks and citation omitted). The Commission must evaluate any bar FINRA imposes on its own facts to determine if it is remedial and not punitive (and thus not excessive or oppressive). See, e.g., *West v. SEC*, 641 F. App'x 27, 30 (2d Cir. 2016).

FINRA's bar of Mr. Arnold is penal in nature and does not serve to protect investors and the public interest against risk of harm. This is an administrative issue involving a change of address. Mr. Arnold's career and his livelihood are now at stake. We ask that you please review this matter and the attached documents which confirm that Mr. Arnold had already moved to a new address and did not receive any of the letters sent by FINRA. Mr. Arnold's inability to receive FINRA's letters due to his change of address did not cause harm to investors or the public interest.

FINRA's letters to Mr. Arnold were dated between October 3, 2022, and April 10, 2023, and were sent to his former address in Galveston, Texas. However, Mr. Arnold had already moved from the Galveston address by that time. His residential address during the period of August 2022 to March 27, 2023, was in Houston, Texas. Additionally, from March 27, 2023, to the present, Mr. Arnold has been residing in Cottage Grove, Minnesota.

In June of 2023, Mr. Adam Walker of our firm reached out to Ms. Yah Demann at FINRA and discussions began regarding the potential resolution of this matter. On August 22, 2023, Mr. Arnold, through Mr. Walker, sent an email to FINRA explaining that although the deliveries of the letters from FINRA were allegedly signed for, the person who signed could not possibly have been Mr. Arnold, as he was not physically present at his CRD address to accept FINRA's letters. Our firm provided FINRA with the dates during which Mr. Arnold resided at each address.

Our firm also informed FINRA that Mr. Arnold was willing to provide on-the-record testimony, as originally requested, if FINRA was willing to reconsider its decision in light of the circumstances. Additionally, our firm offered that, if needed, Mr. Arnold could provide documents which prove his absence from the former CRD address on the dates that FINRA claimed he signed for the deliveries.

It was not until November 3, 2023, that FINRA responded, confirming Mr. Arnold's bar and providing that bare denial of receiving the letters was not an adequate explanation in light of the signed receipts allegedly bearing Mr. Arnold's name or initials. Despite our firm's requests, we were not provided with copies of these signed receipts. Additionally, FINRA never requested Mr. Arnold to provide any documentation, even after Mr. Arnold explicitly offered to do so.

On November 17, 2023, our firm sent a response to FINRA detailing Mr. Arnold's residences during the period between October 2022 and April 2023. This response included multiple attachments, including bank statements, cell phone records, and relocation documents. These attachments are clear proof of Mr. Arnold's physical location on the days on which FINRA alleges that Mr. Arnold signed for the letters at issue. Mr. Arnold was not present at his CRD address on any of the dates on which FINRA's letters were delivered and signed for.

Attached to this Application for Review are the following documents:

- FINRA's January 5, 2023, Notice of Suspension Letter to Mr. Arnold (attaching FINRA's letters dated October 3, 2022, and November 9, 2022) [*never received by Mr. Arnold*]
- FINRA's January 30, 2023, Suspension Letter to Mr. Arnold [*never received by Mr. Arnold*]
- FINRA's April 10, 2023, Bar Letter to Mr. Arnold [*never received by Mr. Arnold*]
- Our firm's August 22, 2023, email from Mr. Walker to Ms. Demann at FINRA
- FINRA's November 3, 2023, Response Letter to Mr. Arnold Confirming Bar
- Our firm's November 17, 2023, response to Ms. Demann at FINRA (and attachments)
- Our firm's December 1, 2023, follow-up email to Ms. Demann at FINRA

The Commission has jurisdiction to review FINRA's action under Rule 420 of the SEC Rules of Practice. While Rule 420(b) typically requires an application for review to be filed within 30 days after notice is received by the aggrieved person applying for review, this case involves extraordinary circumstances. Mr. Arnold never received FINRA's Notice of Bar letter dated April 10, 2023. As discussed above, our firm and Mr. Arnold have been in continuous discussions with FINRA since approximately June 2023 in an attempt to resolve this matter. Accordingly, pursuant to Rule 420(b), we respectfully ask that the Commission grant an extension of the deadline so that this application can be considered.

The sanction imposed on Mr. Arnold fails to give proper weight to the principal considerations to be analyzed under FINRA's sanction guidelines, is penal in nature, does not serve to protect investors and the public interest against risk of harm, and is unduly harsh and severe given Mr. Arnold's unblemished record during his time in the industry. As such, we respectfully ask that the Commission reverse FINRA's bar against Mr. Arnold.

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Dated: December 19, 2023

Respectfully submitted,

*/s/ Erin Austin*

Erin Austin  
Associate Attorney

Attachments

cc: Yah Demann, FINRA  
Alan Lawhead, Esq., FINRA

**CERTIFICATE OF SERVICE**

Pursuant to Rule 151(d) of the Commission's Rules of Practice, on December 19, 2023, the undersigned caused a true and correct copy of this Application for Review to be served by electronic mail on the following person:

Yah Demann  
Counsel  
Department of Enforcement  
FINRA  
Brookfield Place  
200 Liberty Street  
New York NY 10281  
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Dated: December 19, 2023

*/s/ Erin Austin*

Erin Austin  
Associate Attorney