

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 94739 / April 18, 2022

Admin. Proc. File No. 3-20267

In the Matter of the Application of  PAUL H. GILES  For Review of Action Taken by  FINRA
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ORDER REQUESTING ADDITIONAL BRIEFING

Paul H. Giles, formerly an associated person of a FINRA member firm, appeals FINRA’s March 24, 2021 determination that he is subject to a statutory disqualification under Section 3(a)(39) of the Securities Exchange Act of 1934.<sup>1</sup> FINRA determined that Giles was disqualified due to the California Department of Insurance’s issuance of a Default Decision and Order of Revocation (“Default Decision”) against him in 2009. The Default Decision revoked Giles’s insurance licenses in California. In its opposition brief in this proceeding, FINRA argued that the Default Decision subjects Giles to a statutory disqualification “unless and until California grants Giles permission to engage in insurance business.”

After Giles represented that California reinstated his insurance license, we requested additional briefing regarding whether the Commission should dismiss Giles’s application for review as moot.<sup>2</sup> The parties filed briefs in which they argued that the application for review was not moot because California had not reinstated all of the insurance licenses revoked by the Default Decision, and FINRA therefore maintained that the Default Decision still resulted in Giles’s statutory disqualification.<sup>3</sup> However, the parties have since represented that Giles has “applied for an additional line of authority in California and the application was approved.”<sup>4</sup>

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<sup>1</sup> 15 U.S.C. § 78c(a)(39).

<sup>2</sup> *Paul H. Giles*, Exchange Act Release No. 92788, 2021 WL 3836066 (Aug. 27, 2021).

<sup>3</sup> Giles argued against a finding of mootness on other grounds as well.

<sup>4</sup> The parties made this representation as part of Giles’s appeal of FINRA’s separate May 6, 2021 determination that two other states’ orders resulted in his statutory disqualification.

Upon consideration of the record and the briefs filed, we believe that additional briefing would “significantly aid the decisional process.”<sup>5</sup> Specifically, the parties are directed to address whether California has reinstated all of the insurance licenses revoked by the Default Decision, whether Giles is no longer subject to a statutory disqualification based on the Default Decision, and whether the Commission should dismiss Giles’s application for review as moot.<sup>6</sup> The parties may incorporate by reference portions of their prior additional briefs.

Accordingly, it is ORDERED that the parties submit briefs addressing the foregoing issues. Giles’s opening brief shall be filed by May 16, 2022. FINRA’s response shall be filed by June 6, 2022. Giles may file a reply by June 27, 2022. Pursuant to Commission Rule of Practice 180(c), Giles’s failure to file an opening brief on this issue may result in dismissal of this review proceeding.<sup>7</sup>

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary

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<sup>5</sup> Rule of Practice 421(b), 17 C.F.R. § 201.421(b).

<sup>6</sup> See, e.g., *Zoom Companies, Inc.*, Exchange Act No. 87383, 2019 WL 5395561, at \*1 n.3 (Oct. 22, 2019) (stating that “we decline to resolve [this proceeding] on the merits because no party has a concrete interest in its outcome or any remedy we could provide,” but explaining that “[w]e need not determine whether [the proceeding] is moot in an Article III sense”); *Marshall Fin., Inc.*, Exchange Act Release No. 50343, 2004 WL 2026518, at \*3-4 (Sept. 10, 2004) (dismissing appeals as moot because “[w]e perceive no relief that is available here,” and stating that a party’s “desire for helpful precedent, without anything more substantial at stake in the controversy, does not persuade us that this case is not moot”).

<sup>7</sup> 17 C.F.R. § 201.180(c).