

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934  
Release No. 103027 / May 13, 2025

Admin. Proc. File No. 3-21818

In the Matter of the Application of  
CHRISTOPHER ROBERT ARNOLD  
For Review of Action Taken by  
FINRA

OPINION OF THE COMMISSION

REGISTERED SECURITIES ASSOCIATION – REVIEW OF FINRA ACTION

Registered securities association barred individual in an expedited proceeding for failing to respond to requests for information. *Held*, application for review is dismissed.

APPEARANCES:

*Mallory Pagano*, of My RIA Lawyer, for Christopher Robert Arnold.

*Alan Lawhead* and *Gary Dernelle*, for FINRA.

Appeal filed: December 19, 2023  
Last brief received: April 16, 2024

Christopher Robert Arnold, who was formerly associated with a FINRA member firm, appeals from a FINRA action barring him from association with any FINRA member firm for failing to respond to FINRA's requests for information. For the reasons below, we find that Arnold failed to exhaust his administrative remedies and dismiss his application for review.

## I. Background

### A. Arnold failed to respond to FINRA's requests for testimony.

Arnold was registered with various FINRA member firms from April 2011 to July 2022, the last of which was USCA Securities, LLC. On October 3, 2022, FINRA sent Arnold a letter under FINRA Rule 8210 explaining that FINRA was investigating Arnold and USCA for possible securities law violations. FINRA requested that Arnold provide testimony by video deposition on November 3, 2022. FINRA's letter also reminded Arnold of his obligation to respond under FINRA Rule 8210, which requires a person associated with a FINRA member firm "to provide information orally, in writing, or electronically . . . with respect to any matter involved" in a FINRA investigation, complaint, examination, or proceeding.<sup>1</sup> FINRA sent the letter by certified and first-class mail to Arnold's last known address in Galveston, Texas, as reflected on his Central Registration Depository ("CRD").<sup>2</sup> FINRA received a certified mailing receipt with Arnold's initials, but FINRA did not otherwise receive a response from Arnold.

On November 9, 2022, FINRA sent Arnold a second letter stating that Arnold had failed to appear at the November 3, 2022, interview and was in violation of Rule 8210. The letter requested that Arnold testify on November 30, 2022. The November 9 letter enclosed a copy of the October 3 letter and reminded Arnold of his obligation to respond. It also explained that a failure to comply could subject Arnold to expedited or formal disciplinary proceedings against him, including a suspension and bar.<sup>3</sup> FINRA sent the letter to the same address reflected in the

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<sup>1</sup> FINRA Rule 8210(a); *see also* FINRA By-Laws, art. V, § 4(a)(1) (providing that FINRA retains jurisdiction to request information from associated persons for at least two years after revocation or cancellation of that person's registration).

<sup>2</sup> The Central Registration Depository (CRD) program contains, among other things, information about "the registration records of broker-dealer firms, branch offices and their associated individuals." FINRA, *Registration Systems, Central Registration Depository*, <https://www.finra.org/registration-exams-ce/classic-crd> (last visited May 20, 2024).

We note that the certified mailing receipt included an address containing a different street name than Arnold's CRD address. FINRA staff confirmed that this address and Arnold's CRD address were alternate addresses for the same physical location. Arnold does not dispute that the correspondence and notices at issue were all sent to his CRD address.

<sup>3</sup> Before the second interview, FINRA staff attempted to contact Arnold by calling two telephone numbers that USCA provided for Arnold. Staff could not leave a message at the first number but were able to leave a message at the second number and requested that Arnold contact FINRA. The second telephone number matches the one Arnold provided to FINRA staff after he learned of the bar. Arnold did not return the calls or otherwise contact FINRA.

CRD by first-class and certified mail, and FINRA received an illegibly signed certified mail receipt.

Arnold did not respond to either of FINRA's letters or appear to testify.

**B. FINRA initiated expedited proceedings against Arnold.**

After Arnold failed to respond to FINRA's two requests to testify, FINRA initiated expedited proceedings under FINRA Rule 9552 to suspend Arnold from association with any FINRA member firm.<sup>4</sup> In a letter dated January 5, 2023, (the "Pre-Suspension Notice"), FINRA notified Arnold that, under Rule 9552, his failure to respond to FINRA's October and November 2022 requests for testimony would subject him to a suspension on January 30, 2023 ("the Suspension Date").

The Pre-Suspension Notice enclosed copies of the Rule 8210 requests that FINRA had previously sent by certified and first-class mail. It also explained that the suspension would not take effect if Arnold complied with those requests before the Suspension Date. The notice explained that Arnold could request a hearing under FINRA Rule 9552(e) to contest the suspension by the Suspension Date, which would stay the effective date of any suspension. The notice further explained that, if suspended, Arnold could file a written request to terminate the suspension once he complied with the Pre-Suspension Notice. The notice cautioned, however, that a failure to contest or seek to terminate the suspension within three months of the date of the Pre-Suspension Notice would automatically result in an order on April 10, 2023, barring Arnold from associating with any FINRA member. FINRA sent the Pre-Suspension Notice to Arnold by certified and first-class mail to his CRD address. The Postal service returned to FINRA an illegibly signed certified receipt.

**C. FINRA sent a Notice of Suspension and then barred Arnold for failing to respond.**

Arnold did not respond to the Pre-Suspension Notice, nor did he attempt to schedule testimony or request a hearing by the Suspension Date. On January 30, 2023, FINRA notified Arnold that he was suspended from associating with any FINRA member firm (the "Suspension Notice") pursuant to Rule 9552. The Suspension Notice advised Arnold, as had the Pre-Suspension Notice, that he could file a written request to FINRA to terminate the suspension based on full compliance with the Pre-Suspension Notice. But FINRA reiterated that if Arnold did not do so by April 10, 2023, FINRA would automatically bar him under FINRA Rule 9522(h). FINRA sent the Suspension Notice by first-class and certified mail to Arnold's CRD

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<sup>4</sup> Rule 9552 allows FINRA to initiate expedited proceedings by sending an individual a notice "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." FINRA Rule 9552(a). The rule further states that a "person who is suspended under [FINRA Rule 9552] and fails to request termination of the suspension within three months of issuance of the original notice of suspension will automatically be expelled or barred." FINRA Rule 9552(h).

address. The Postal Service did not return the Suspension Notice to FINRA, and FINRA received a signed certified return receipt with Arnold's initials.

On April 10, 2023, FINRA notified Arnold by letter (the "Bar Notice") that he was barred from association with any FINRA member effective immediately. The Bar Notice informed Arnold that he could appeal FINRA's action by filing an application for review with the Commission within thirty days of his receipt of the Bar Notice. FINRA again sent the Bar Notice by first-class and certified mail to Arnold's CRD address. The Postal Service returned to FINRA a certified receipt that displayed the recipient signature as Arnold's initials: "CA."

**D. Arnold requested that FINRA vacate the bar, which FINRA declined to do.**

Arnold emailed FINRA staff on May 31, 2023, more than eight weeks after FINRA imposed its bar. Arnold asserted that, by the time FINRA sent the various correspondence, he had moved from the residence listed on his CRD. He acknowledged that he did not comply with his duty to update his CRD address, but he claimed that, because of his move, he had not received either the Pre-Suspension or Suspension notices. Arnold therefore asked FINRA to provide him the information related to his suspension and bar. After FINRA provided him that information, Arnold retained counsel, who emailed FINRA on June 20, 2023, requesting "feedback on the possibility of and mechanism for vacating the bar and allowing [Arnold] to comply with the 8210 requests seeking his testimony."

On August 17, 2023, FINRA informed Arnold's counsel that it was considering Arnold's request to vacate the bar but asked him to provide, among other things, an explanation for each signature on the certified mailing receipts that FINRA had received. FINRA also asked Arnold to provide any records showing that he had arranged to have the Postal Service forward mail to his new address from the address listed in the CRD.

Arnold's counsel responded on August 22, 2023, writing that "[Arnold] cannot explain the signatures you reference except to say they are not his and cannot be his." Arnold's counsel also represented that Arnold had "attempted to set up mail forwarding from his former CRD address . . . [,but] [h]e was unable to do so . . . . [H]e never suspected that failing to do so could jeopardize his future employment and, as such, it was not a priority for him. Therefore, [Arnold] never finalized any mail-forwarding arrangements during the period in question."<sup>5</sup>

On November 3, 2023, FINRA declined to vacate the bar. FINRA acknowledged Arnold's offer to testify but noted that such willingness did not provide a basis to vacate his bar. FINRA's letter explained that its records showed the U.S. Postal Service had delivered the various notices to Arnold's CRD address and had returned to FINRA signed certified mail delivery receipts for all of them. Despite this, the letter noted, Arnold did not appear and testify as FINRA staff requested. Nor did Arnold otherwise exhaust his administrative remedies by

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<sup>5</sup> On September 23, 2023—more than five months after the bar was imposed and after Arnold had reached out to FINRA—the first-class mailing of the Bar Notice was returned to FINRA. This was the only mailing or notice sent to Arnold in this proceeding that the postal service returned.

taking the necessary corrective action, requesting a hearing, or seeking termination of his suspension based on his full compliance with FINRA's requests that he testify.

After FINRA informed Arnold that it declined to vacate the bar, Arnold's attorney sent bank statements and cell phone records to FINRA as evidence that Arnold was not in the location of his CRD address at the time the return receipts were signed. According to Arnold's attorney, Arnold had moved to Houston, Texas, by the time of FINRA's first request letter and was then in Minnesota starting in February 2023. Arnold did not provide any explanation for the signatures on FINRA's correspondence, except to deny that the signatures were his. FINRA did not respond to this submission.

On December 19, 2023, Arnold filed this application for review.

## II. Analysis

FINRA opposes Arnold's application for review, arguing that Arnold failed to exhaust his administrative remedies before FINRA. We agree. As we have repeatedly held, applicants who fail to exhaust administrative remedies before FINRA forfeit any future challenge to FINRA's actions before the Commission.<sup>6</sup> Such an administrative-exhaustion requirement promotes the efficient resolution of disciplinary disputes between SROs and their members and is in harmony with Congress's delegation of authority to SROs to settle, in the first instance, disputes relating to their operations.<sup>7</sup> It also promotes the development of a record in a forum particularly suited to create it, upon which the Commission and, subsequently, the courts can more effectively conduct their review.<sup>8</sup> Dismissing Arnold's application furthers those interests here.

As the Pre-Suspension Notice explained, Arnold had two options for avoiding a suspension: (1) taking corrective action by responding to FINRA's requests for testimony before the Suspension Date or (2) requesting a hearing in response to the Pre-Suspension Notice. Arnold did neither. Once Arnold was suspended, the Suspension Notice advised Arnold that, by April 10, 2023, he could still comply with the Pre-Suspension Notice and request that FINRA terminate the suspension based on that compliance. But Arnold did not do that either. Instead, Arnold waited until eight weeks after the bar had become effective and only then contacted FINRA.

Arnold asks us to set aside the bar because, he claims, various circumstances show that he lacked actual notice of FINRA's notices and requests—and he claims to have responded as soon as he became aware of the bar. Arnold presented evidence to FINRA, for example, that he

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<sup>6</sup> *Potomac Cap. Mkts., LLC*, Exchange Act Release No. 91172, 2021 WL 666510, at \*2 (Feb. 19, 2021); *see also, e.g., Patrick H. Dowd*, Exchange Act Release No. 83710, 2018 WL 3584177, at \*4 (Jul. 25, 2018) (holding that “we will not consider an application for review of FINRA action if that applicant failed to exhaust FINRA's procedures for contesting the sanction”) (internal quotation marks omitted).

<sup>7</sup> *MFS Sec. Corp. v. SEC*, 380 F.3d 611, 622 (2d Cir. 2004).

<sup>8</sup> *Id.*

was not in the location of his CRD address at the time the return receipts were signed. But Arnold provides no explanation for why his signatures and initials were nevertheless on those receipts, other than to claim that they “are not and cannot be his.” The evidence is thus not completely clear on whether Arnold was aware of the notices and requests, but Arnold’s signatures and initials on the receipts weigh in favor of a finding that he was. We nevertheless acknowledge that someone could have signed on Arnold’s behalf. Even giving some weight to Arnold’s claims about lacking actual notice, however, we still find it appropriate to dismiss Arnold’s application for review.

We have long emphasized the importance of updating one’s CRD address.<sup>9</sup> FINRA’s rules also specify that, unless FINRA has actual notice that a CRD address is inaccurate,<sup>10</sup> service is deemed complete upon mailing to that CRD address.<sup>11</sup> Indeed, Arnold admits that he was obligated—but failed—to update his CRD address and he failed to respond to FINRA’s notices within the specified time.<sup>12</sup> And Arnold does not dispute that FINRA properly effected service.<sup>13</sup> Thus, even assuming, *arguendo*, that Arnold lacked actual notice until eight weeks after the bar was imposed, we find that Arnold nevertheless received effective notice of FINRA’s notices and requests under its rules. Moreover, we have made clear that individuals generally

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<sup>9</sup> See, e.g., *Aliza A. Manzella*, Exchange Act Release No. 77084, 2016 WL 489353, at \*3 (stating that a “former employee of a FINRA member, was required to keep her Web CRD address of record current, and to receive mail there” and citing supporting authority); see also *NASD Reminds Registered Persons of Continuing Obligation to Update NASD Records*, NASD Notice to Members 97-31, 1997 WL 1909798, at \*1-2 (May 1, 1997) (explaining that registered representatives have a continuing duty to maintain a current address because they may face disciplinary action for failing to respond to requests for information mailed to the last known CRD address).

<sup>10</sup> See FINRA Rule 8210(d); FINRA Rule 9134(b)(3); FINRA Rule 9552(b); see also FINRA Rule 9134(b)(1) (stating that, if FINRA staff have “actual knowledge” that the CRD residential address is “out of date,” it is required to serve duplicate copies at the person’s last known residential address and the person’s CRD business address); cf. *Martinez*, 2013 WL 1683913 at n.6 (stating that a “notice issued pursuant to Rule 8210 is deemed received by such person when mailed to the individual’s last known CRD address”).

<sup>11</sup> See FINRA Rule 9134(b)(1) (providing for service on natural persons); FINRA Rule 9552(b) (providing that service in expedited proceedings shall be in accordance with Rule 9134).

<sup>12</sup> See, e.g., *Mantar*, 2017 WL 221653, at \*3 (stating that it is the registered individual’s obligation to keep the CRD address current); *Perpetual Secs., Inc.*, Exchange Act Release No. 56613, 2007 WL 2892696, at \*9 (Oct. 4, 2007) (associated persons are required to keep a current address on file with FINRA at all times).

<sup>13</sup> Arnold argues that part of the reason he never had actual notice of FINRA requests and notices was because FINRA also sent them to an email address that turned out not to belong to Arnold. Email delivery, however, is not required under FINRA’s service rules.

cannot avoid the administrative exhaustion requirement by asserting that they did not receive mail properly sent to an address of record.<sup>14</sup>

Despite this long-held rule that a representative must keep the CRD address current—and that a failure to do so does not excuse a representative’s failure to respond to FINRA requests—the Commission has occasionally remanded expedited proceedings back to FINRA where, for example, the record did not contain sufficient information to determine whether FINRA complied with its service rules<sup>15</sup> or whether FINRA had actual notice that its requests and notices were not reaching the respondent.<sup>16</sup> Such circumstances are not present here.

We reject, for instance, Arnold’s argument that his situation is like that in *Mantar*, which Arnold cites as a basis for setting aside the bar. In *Mantar*, the Commission remanded an expedited proceeding to FINRA for further consideration given “the totality of the circumstances,” including that FINRA had provided no explanation in the record for why barring the respondent was appropriate despite respondent’s various filings asking FINRA to lift the bar after it had already become automatically effective.<sup>17</sup> As the Commission noted, for example, the record contained no evidence that FINRA had reviewed Mantar’s inquiries after the bar had already been imposed. That is not the case here, where the record contains FINRA’s correspondence with Arnold after the automatic bar had already been imposed and FINRA’s ultimate explanation of why it rejected Arnold’s untimely response.

The Commission has also occasionally allowed an exception to the requirement that an applicant maintain a current CRD address where it appears that FINRA knew or had reason to believe that the CRD address was not accurate. For example, the record in *Mantar* contained evidence that each of the certified mailings that FINRA had sent to the respondent was returned as “not deliverable as addressed” and “unable to forward.”<sup>18</sup> Here, however, FINRA had no

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<sup>14</sup> *Christine D. Memet*, Exchange Act Release No. 83711, 2018 WL 3584178, at \*4 (July 25, 2018); *see also Evansen*, 2015 WL 4518588, at \*7 (stating that “[t]he purpose of the CRD address requirements is to ensure that FINRA is able to rely on its records when sending notices”); *Martinez*, 2013 WL 1683913 at n.6 (stating that a “notice issued pursuant to Rule 8210 is deemed received by such person when mailed to the individual’s last known CRD address”).

<sup>15</sup> *See, e.g., Kevin M. Murphy*, Exchange Act Release No. 79016, 2016 WL5571633, at \*4 (Sept. 30, 2016); *James A. Bari, Jr.*, Exchange Act Release No. 48292, 2003 WL 21804686, at \*2 (Aug. 6, 2003).

<sup>16</sup> *See, e.g., Ryan R. Henry*, Exchange Act Release No. 53957, 2006 WL 1565128, at \*3 (June 8, 2006) (remanding where “certain factual aspects of the record [we]re unclear from the record,” including that a request for information was “clearly” signed by someone other than applicant, the suspension notices were returned as undeliverable, and FINRA’s bar notice was left at the front door); *Robert J. Langley*, Exchange Act Release No. 50917, 2004 WL 2973866, at \*3 (Dec. 22, 2004) (remanding where “certain factual aspects of this case [we]re unclear from the record, including that “many of NASD’s mailings were returned as ‘undeliverable’ [and the record] is silent as to others”).

<sup>17</sup> 2017 WL 221653, at \*5.

<sup>18</sup> *Mantar*, 2017 WL 221653, at \*2.

such reason here to believe that Arnold's CRD address was inaccurate. To the contrary, FINRA received signed or initialed return receipts (two with Arnold's initials) for all the certified mailings, and, with the exception of the Bar Notice—which was not returned to FINRA until months after Arnold had already contacted FINRA about the bar—none of the mailings was returned to FINRA.<sup>19</sup>

We have long explained that, although “[u]nmet deadlines may cut off substantive rights to review,” that “is their function.”<sup>20</sup> Arnold's failure to respond to FINRA's requests was due to his admitted failure to keep his CRD address current. We thus find that FINRA properly acted within its authority to deny Arnold's request to set aside his bar.<sup>21</sup> There is thus no basis to excuse Arnold's failure to exhaust his administrative remedies before FINRA.<sup>22</sup>

Because Arnold failed to exhaust his administrative remedies, we do not address his arguments that FINRA's imposition of a permanent bar is excessive, oppressive, and punitive; does not protect investors or the public interest; ignores mitigating factors; and fails to give proper weight to FINRA's sanction guidelines. FINRA was unable to evaluate the merits of

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<sup>19</sup> We also disagree with Arnold that his situation is similar to that in *Christopher A. Parris*, Exchange Act Release No. 78669, 2016 WL 4446331 (Aug. 24, 2016). There, the Commission set aside a bar (but left in place the suspension), because the Commission concluded that Parris had, in fact, timely requested that the suspension be terminated. *Id.* at \*5. That is not the case here.

<sup>20</sup> *Aliza Manzella*, Exchange Act Release No. 77084, 2016 WL 489353, at \*4 (Feb. 8, 2016) (quoting *Walter V. Gerasimowicz*, Exchange Act Release No. 72133, 2014 WL 1826641, at \*2 (May 8, 2014) (citation omitted)).

<sup>21</sup> *Cf. Li-Lin Hsu*, Exchange Act Release No. 78899, 2016 WL 5219504, at \*3 (Sept. 21, 2016) (finding that FINRA “properly acted within its broad discretion in denying Hsu's request for an extension of time” to respond to a suspension notice in an expedited proceeding in which she was ultimately barred).

<sup>22</sup> *See, e.g., id.* (finding no basis for excusing Hsu's failure to exhaust her administrative remedies where FINRA declined her requests for an extension of time to respond); *cf. Brendan D. Feitelberg*, Exchange Act Release No. 89365, 2020 WL 4196029, at \*5 (July 21, 2020) (finding that FINRA's refusal to revisit applicant's automatic bar in an expedited proceeding “merely refused to revisit FINRA's previous action” and was thus not reviewable under Section 19).

those claims or develop a full record for us to review in evaluating them.<sup>23</sup> We will not consider those claims in the first instance here.<sup>24</sup>

Accordingly, we dismiss Arnold's application for review.

An appropriate order will issue.<sup>25</sup>

By the Commission (Chairman ATKINS and Commissioners PEIRCE, CRENSHAW, and UYEDA).

Vanessa A. Countryman  
Secretary

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<sup>23</sup> See, e.g., *Dowd*, 2018 WL 3584177, at \*5 (explaining that, “[i]n bypassing FINRA's process for explaining his conduct, [applicant] prevented FINRA from considering his defenses and from developing a record from which we could review the merits of those defenses”).

<sup>24</sup> See, e.g., *Williams*, 2020 WL 3820989, at \*5 (“[The applicant] cannot argue about the merits of the bar since he did not timely raise these issues in the first instance to FINRA through its administrative process.”); *Khalid Morgan Jones*, Exchange Act Release No. 80635, 2017 WL 1862331, at \*5 (May 9, 2017) (“Jones cannot argue about the merits of the bar since he did not timely raise the issue in the first instance to FINRA through its administrative process by, for example, requesting a hearing in response to the Pre-Suspension Notice”).

<sup>25</sup> We have considered all of the parties' contentions. We have rejected or sustained them to the extent that they are inconsistent or in accord with the views expressed in this opinion.

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 103027 / May 13, 2025

Admin. Proc. File No. 3-21818

In the Matter of the Application of  
CHRISTOPHER ROBERT ARNOLD  
For Review of Action Taken by  
FINRA

ORDER Dismissing Application For Review Of Action Taken By Registered Securities  
Association

On the basis of the Commission's opinion issued this day, it is

ORDERED that this application for review filed by Christopher Robert Arnold is  
dismissed.

By the Commission.

Vanessa A. Countryman  
Secretary