

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

CHARLES WILLIAM WODRICH  
(CRD No. 2715728),

Respondent.

Disciplinary Proceeding

No. 2022075322601

Hearing Officer—CC

**DEFAULT DECISION**

December 12, 2024

**Respondent is barred from associating with any FINRA member firm in any capacity for failing to provide information and documents and failing to appear for on-the-record testimony, as requested in connection with a FINRA investigation, in violation of FINRA Rules 8210 and 2010.**

*Appearances*

For the Complainant: Myla Arumugam, Esq., Melissa J. Turitz, Esq., and Jeff Fauci, Esq.,  
Department of Enforcement, Financial Industry Regulatory Authority

For the Respondent: No appearance

**DECISION**

**I. Introduction**

On May 30, 2024, the Department of Enforcement filed a two-cause Complaint against Respondent Charles William Wodrich, a former registered representative, alleging he failed to provide information and documents, and failed to appear for on-the-record testimony (“OTR”), that FINRA requested pursuant to FINRA Rule 8210 in connection with an investigation into his conduct while he was associated with a FINRA member firm. Cause One of the Complaint alleges that Wodrich violated FINRA Rules 8210 and 2010 by failing to provide the requested information and documents. Cause Two alleges a separate violation of FINRA Rules 8210 and 2010 based on Wodrich’s failure to appear for the requested OTR.

Wodrich, appearing *pro se*, sent an email to the Office of Hearing Officers (“OHO”), which appeared to be an attempt to answer the Complaint, but did not comply with the requirements of FINRA Rule 9215 for filing answers to complaints. I scheduled an Initial Pre-Hearing Conference to discuss Wodrich’s email. At Wodrich’s request, and after he failed to

appear at a scheduled Pre-Hearing Conference, I subsequently rescheduled the Initial Pre-Hearing Conference several times. When Wodrich failed to appear for the third rescheduled conference, I ordered Enforcement to file a motion for entry of default decision.

On October 9, 2024, Enforcement filed its motion (“Default Motion”), along with a memorandum of law, a declaration from one of Enforcement’s attorneys in the case, Myla Arumugam, Esq. (“Arumugam Decl.”), and 18 exhibits (CX-1 through CX-18). Wodrich did not respond to the Default Motion.

For the reasons set forth below, I find Wodrich in default and grant Enforcement’s Default Motion. As authorized by FINRA Rule 9269(a)(2), I deem the allegations in the Complaint to be admitted. Based on those facts and the additional information provided in support of the Default Motion, I find that Wodrich committed the violations alleged in the Complaint. For violating FINRA Rules 8210 and 2010, Wodrich is barred from associating with any FINRA member firm in any capacity.

## **II. Findings of Fact and Conclusions of Law**

### **A. Background**

Wodrich entered the securities industry in 1996.<sup>1</sup> From February 1996 through December 2013, he was registered with FINRA through his association with four different member firms.<sup>2</sup> From December 2013 through August 2022, Wodrich was registered with FINRA through his association with FINRA member firm Hornor, Townsend & Kent (“HTK” or the “Firm”).<sup>3</sup> On August 11, 2022, HTK filed a Uniform Termination Notice for Securities Industry Registration (Form U5) disclosing that it had discharged Wodrich for violating the Firm’s “procedures with respect to (a) client communications, including using an unapproved email address to communicate with clients; (b) use of discretion in client accounts; and (c) failure to timely forward a client complaint.”<sup>4</sup> Since his discharge from HTK, Wodrich has not been registered or associated with a FINRA member firm.<sup>5</sup>

### **B. Jurisdiction**

Although Wodrich is not currently registered or associated with a FINRA member firm, he remains subject to FINRA’s jurisdiction under Article V, Section 4 of FINRA’s By-Laws for the purposes of this proceeding because (1) Enforcement filed the Complaint on May 30, 2024, within two years after August 11, 2022, the effective date of the termination of Wodrich’s registration; and (2) the Complaint charges Wodrich with failing to provide information and

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<sup>1</sup> Complaint (“Compl.”) ¶ 2; Arumugam Decl. ¶ 8; CX-2, at 2, 4, 7.

<sup>2</sup> Compl. ¶ 4; CX-2, at 2–4.

<sup>3</sup> Compl. ¶ 3; Arumugam Decl. ¶ 9; CX-2, at 2.

<sup>4</sup> Compl. ¶ 3; Arumugam Decl. ¶ 10; CX-1, at 2.

<sup>5</sup> Compl. ¶ 4; Arumugam Decl. ¶ 12; CX-2, at 2.

documents requested by FINRA staff and with failing to appear for an OTR during the two-year period after the date on which he ceased to be registered or associated with a FINRA member firm.<sup>6</sup>

### **C. Origin of the Proceeding**

In approximately June 2022, following the receipt of a complaint made to FINRA’s Securities Helpline for Seniors, FINRA opened an investigation into whether Wodrich provided misleading information to and recommended securities transactions that were not in the best interest of a senior customer, and also into whether he used a personal email account to conduct securities-related business.<sup>7</sup> A few months later, after HTK filed the Form U5 for Wodrich disclosing the termination of his registration, FINRA expanded its investigation to include whether Wodrich exercised discretion without written authorization in customer accounts.<sup>8</sup> This proceeding stems from Wodrich’s failure to comply with requests for the production of information and documents as well as requests for his testimony that were made in connection with FINRA’s investigation.

### **D. Respondent’s Default**

Under FINRA Rules 9131(b) and 9134(a)(2) and (b)(1), a Complaint may be served on a natural person by United States Postal Service (“USPS”) first-class certified mail at the person’s residential address, as reflected in the Central Registration Depository (“CRD”).

In accordance with those rules, on May 30, 2024, Enforcement served Wodrich with the Complaint and Notice of Complaint by sending those documents via USPS first-class mail and first-class certified mail, return receipt requested, to Wodrich’s last known residential address as reflected in CRD (the “CRD Address”).<sup>9</sup> Enforcement also sent courtesy copies to Wodrich at a personal email address he had used to communicate with FINRA staff in the past.<sup>10</sup> The Notice of Complaint stated that Wodrich was required to answer the Complaint by June 27, 2024.<sup>11</sup> However, Wodrich failed to do so.<sup>12</sup>

As a result, Enforcement served Wodrich again. Enforcement sent the Complaint and Second Notice of Complaint to Wodrich via USPS first-class mail and first-class certified mail, return receipt requested, to the CRD Address on July 1, 2024.<sup>13</sup> Enforcement again sent courtesy

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<sup>6</sup> Compl. ¶ 4; Arumugam Decl. ¶ 12.

<sup>7</sup> Compl. ¶ 5; Arumugam Decl. ¶¶ 4–5.

<sup>8</sup> Compl. ¶ 6; Arumugam Decl. ¶ 7.

<sup>9</sup> Arumugam Decl. ¶ 65; CX-3, at 1, 17; CX-10.

<sup>10</sup> Arumugam Decl. ¶ 67; CX-3, at 1, 17.

<sup>11</sup> Arumugam Decl. ¶ 71; CX-3, at 1.

<sup>12</sup> Arumugam Decl. ¶ 72.

<sup>13</sup> Arumugam Decl. ¶ 74; CX-11, at 2; CX-12.

copies to Wodrich’s personal email address.<sup>14</sup> The Second Notice of Complaint stated that Wodrich was required to answer the Complaint by July 18, 2024.<sup>15</sup>

One day before the deadline, on July 17, 2024, Wodrich sent an email to OHO stating, “I, Charles W. Wodrich, do not have and am unable to obtain sufficient information to deny each allegation in the Complaint.”<sup>16</sup> Wodrich attached to the email more than 100 pages of documents that he described as including “all affirmative defense information.”<sup>17</sup> Wodrich’s email appeared to be an attempt to answer the Complaint, but did not comply with the requirements in FINRA Rule 9215(b) in that it did not specifically admit, deny, or state that the Respondent does not have and is unable to obtain sufficient information to admit or deny, *each allegation* in the Complaint.<sup>18</sup> This notwithstanding, I issued an Order on July 29, 2024, scheduling an Initial Pre-Hearing Conference by videoconference for August 2, 2024, to address Wodrich’s email.<sup>19</sup> In accordance with FINRA Rule 9132, OHO served the Order on Wodrich by electronic mail, using the personal email address Wodrich had previously used to communicate with OHO. Additionally, on the day of the Initial Pre-Hearing Conference, OHO sent an email to the parties reminding them of the videoconference.

Enforcement appeared at the Initial Pre-Hearing Conference on August 2, 2024.<sup>20</sup> Wodrich failed to appear.<sup>21</sup> OHO tried unsuccessfully to reach Wodrich by telephone when he failed to appear.<sup>22</sup> And Enforcement tried to contact Wodrich by email.<sup>23</sup>

As a result, on August 6, 2024, I issued an Order rescheduling the Initial Pre-Hearing Conference for August 15, 2024, by videoconference.<sup>24</sup> The Order stated that a failure to appear at the Initial Pre-Hearing Conference “may be deemed a default.”<sup>25</sup> OHO served the Order on the parties by email, in accordance with FINRA Rule 9132.

On August 15, 2024, Wodrich emailed OHO that he could not attend the Initial Pre-Hearing Conference. He wrote that he would not know his availability to reschedule until

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<sup>14</sup> Arumugam Decl. ¶ 75; CX-11, at 2.

<sup>15</sup> Arumugam Decl. ¶ 79; CX-11, at 1.

<sup>16</sup> Arumugam Decl. ¶ 80; CX-13, at 1.

<sup>17</sup> Arumugam Decl. ¶ 80; CX-13, at 2–109.

<sup>18</sup> The First and Second Notices of Complaint provide specific instructions on how to prepare and file an answer to the Complaint.

<sup>19</sup> Notice of Receipt of Answer and Order Setting Initial Pre-Hearing Conference (July 29, 2024) 1.

<sup>20</sup> Transcript of Initial Pre-Hearing Conference (Aug. 2, 2024) (“Aug. 2 IPHC Tr.”) 3–4.

<sup>21</sup> Aug. 2 IPHC Tr. 3.

<sup>22</sup> Aug. 2 IPHC Tr. 3.

<sup>23</sup> Arumugam Decl. ¶ 83; CX-18, at 1.

<sup>24</sup> Order Rescheduling Initial Pre-Hearing Conference (Aug. 6, 2024).

<sup>25</sup> *Id.*

Monday, August 19, 2024. OHO responded by email directing Wodrich to propose dates and times for the Initial Pre-Hearing Conference by the close of business on August 19, 2024. The email warned Wodrich that, if he did not propose dates and times for the videoconference, OHO would have no choice but to reschedule without his input.

When Wodrich failed to respond, I issued an Order on August 28, 2024, rescheduling the Initial Pre-Hearing Conference for September 5, 2024, by videoconference.<sup>26</sup> The Order reminded the parties that a failure to appear at the Initial Pre-Hearing Conference “may be deemed a default.”<sup>27</sup> OHO served the Order on the parties by email, in accordance with FINRA Rule 9132.

I held the Initial Pre-Hearing Conference by videoconference on September 5, 2024. Enforcement appeared at the videoconference.<sup>28</sup> Wodrich did not attend.<sup>29</sup> OHO attempted to contact Wodrich by both telephone and email but received no response.<sup>30</sup>

Under FINRA Rules 9241(f) and 9269(a)(1), a Hearing Officer may issue a default decision against a respondent who fails to appear at a pre-hearing conference of which the party had due notice. OHO properly served Wodrich, in accordance with FINRA Rule 9132, with the Order scheduling the September 5, 2024, Initial Pre-Hearing Conference by sending it to him by electronic mail at the address he used to correspond with OHO. Accordingly, I find that Wodrich had due notice of the Initial Pre-Hearing Conference.

Because Wodrich failed to appear at a pre-hearing conference of which he had due notice, I find that he defaulted.<sup>31</sup> As a result, I deem the allegations in the Complaint admitted under FINRA Rule 9269(a)(2).

#### **E. Wodrich Failed to Respond to Requests for Information and Documents (First Cause of Action)**

In November 2022, FINRA requested, pursuant to FINRA Rule 8210, that Wodrich produce certain information and documents in connection with its investigation.<sup>32</sup> Wodrich responded to the request in December 2022.<sup>33</sup> However, as is discussed below, Wodrich failed to cooperate with FINRA’s subsequent requests for information and documents.

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<sup>26</sup> Order Rescheduling Initial Pre-Hearing Conference (Aug. 28, 2024) 1.

<sup>27</sup> *Id.* at 2.

<sup>28</sup> Transcript of Initial Pre-Hearing Conference (Sept. 5, 2024) (“Sept. 5 IPHC Tr.”) 4.

<sup>29</sup> Sept. 5 IPHC Tr. 3–4.

<sup>30</sup> Sept. 5 IPHC Tr. 4.

<sup>31</sup> Wodrich is notified that he may move to set aside the default under FINRA Rule 9269(c) upon a showing of good cause.

<sup>32</sup> Compl. ¶ 23; Arumugam Decl. ¶ 34.

<sup>33</sup> Compl. ¶ 23; Arumugam Decl. ¶ 34.

## 1. The First Request for Information and Documents

On July 26, 2023, FINRA requested, pursuant to FINRA Rule 8210, that Wodrich provide documents and information related to its investigation (the “First Information Request”).<sup>34</sup> Among other things, FINRA staff requested that Wodrich provide the telephone numbers he used to communicate with his customers, copies of telephone records, information about whether he exercised discretion in customer accounts, and the names of any customers he communicated with using a personal email address.<sup>35</sup> The deadline for Wodrich to respond to the First Information Request was August 9, 2023.<sup>36</sup>

FINRA staff sent the First Information Request by certified mail, return receipt requested, and first-class mail, to the CRD Address.<sup>37</sup> Using FINRA’s Request Manager system, the staff sent an additional copy of the First Information Request to Wodrich electronically via his personal email address, which Wodrich had used in the past to communicate with FINRA.<sup>38</sup>

On August 8, 2023, Wodrich sent an email to FINRA staff from his personal email address requesting an extension of time to respond to the First Information Request.<sup>39</sup> FINRA staff extended the time for Wodrich to respond to the First Information Request until August 23, 2023.<sup>40</sup> Wodrich thanked FINRA staff by email for granting his request for an extension.<sup>41</sup>

Wodrich did not provide FINRA with any information or documents in response to the First Information Request by August 23, 2023.<sup>42</sup> Nor did Wodrich request a further extension of that deadline.<sup>43</sup>

## 2. The Second Request for Information and Documents

When Wodrich failed to produce the information and documents requested in the First Information Request, FINRA staff sent him a second letter on August 29, 2023, again requesting the production of the same information and documents, pursuant to FINRA Rule 8210 (the “Second Information Request”).<sup>44</sup> The Second Information Request warned Wodrich that, “[a]s a

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<sup>34</sup> Compl. ¶ 7; Arumugam Decl. ¶ 14; CX-4.

<sup>35</sup> Compl. ¶ 7; Arumugam Decl. ¶ 14; CX-4, at 1–2.

<sup>36</sup> Compl. ¶ 12; Arumugam Decl. ¶ 15; CX-4, at 1.

<sup>37</sup> Compl. ¶ 8; Arumugam Decl. ¶¶ 13, 17; CX-2, at 1, 10; CX-4, at 1.

<sup>38</sup> Compl. ¶ 11; Arumugam Decl. ¶ 21; CX-4, at 1.

<sup>39</sup> Compl. ¶ 13; Arumugam Decl. ¶ 22; CX-5, at 1–2.

<sup>40</sup> Compl. ¶ 14; Arumugam Decl. ¶ 23; CX-5, at 1.

<sup>41</sup> CX-5, at 1.

<sup>42</sup> Compl. ¶ 15; Arumugam Decl. ¶ 24.

<sup>43</sup> Compl. ¶ 15; Arumugam Decl. ¶ 24.

<sup>44</sup> Compl. ¶ 16; Arumugam Decl. ¶ 25; CX-6.

result of [his] failure to respond” to the First Information Request, he “may be in violation of FINRA Rule 8210.”<sup>45</sup> FINRA staff gave Wodrich until September 13, 2023, to respond to the Second Information Request.<sup>46</sup> They cautioned Wodrich that a failure to provide the requested information and documents could subject him to sanctions, “including a bar from associating with any FINRA member firm.”<sup>47</sup>

As with the First Information Request, FINRA staff sent the Second Information Request both by certified mail, return receipt requested, and first-class mail, to the CRD Address.<sup>48</sup> FINRA staff also sent an additional copy of the Second Information Request to Wodrich at his personal email address via Request Manager.<sup>49</sup>

On September 13, 2023, the deadline for responding to the Second Information Request, Wodrich sent FINRA staff a letter, along with certain information and documents, that he had previously submitted to FINRA in December 2022.<sup>50</sup> In a comment he provided to staff through Request Manager, Wodrich stated he had produced “everything [he] ha[s] access to.”<sup>51</sup>

The information and documents that Wodrich produced on September 13, 2023 arguably were partially responsive to three of the 13 requests in the Second Information Request.<sup>52</sup> But Wodrich failed to provide any information or documents in response to the remaining nine requests.<sup>53</sup> For example, Wodrich failed to provide a list of the telephone numbers he used to communicate with customers, copies of telephone records, information about whether he exercised discretion in customer accounts, or a list of customers with whom he communicated using his personal email address.<sup>54</sup>

### **3. The Third Request for Information and Documents**

As a result, on October 17, 2023, FINRA sent Wodrich a third request, pursuant to FINRA Rule 8210, for the production of the same information and documents (the “Third Information Request”).<sup>55</sup> The Third Information Request stated that the information and documents Wodrich produced on September 13, 2023, were not fully responsive to the First or

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<sup>45</sup> Compl. ¶ 16; Arumugam Decl. ¶ 25; CX-6, at 1.

<sup>46</sup> Compl. ¶ 22; Arumugam Decl. ¶ 26; CX-6, at 1.

<sup>47</sup> Compl. ¶ 22; Arumugam Decl. ¶ 26; CX-6, at 1.

<sup>48</sup> Compl. ¶ 17; Arumugam Decl. ¶ 28; CX-6, at 1.

<sup>49</sup> Compl. ¶ 18; Arumugam Decl. ¶ 30; CX-6, at 1.

<sup>50</sup> Compl. ¶ 23; Arumugam Decl. ¶ 34.

<sup>51</sup> Compl. ¶ 23; Arumugam Decl. ¶ 36.

<sup>52</sup> Compl. ¶ 24; Arumugam Decl. ¶ 35.

<sup>53</sup> Compl. ¶ 24; Arumugam Decl. ¶ 35.

<sup>54</sup> Compl. ¶ 24; Arumugam Decl. ¶ 35.

<sup>55</sup> Compl. ¶ 25; Arumugam Decl. ¶ 37; CX-7.

Second Information Requests.<sup>56</sup> Based on his failure to provide the requested information and documents, FINRA staff informed Wodrich he was “in violation of FINRA Rule 8210.”<sup>57</sup> The staff gave Wodrich until October 31, 2023, to respond to the Third Information Request and warned him that a failure to comply could result in sanctions, including a bar.<sup>58</sup>

FINRA served the Third Information Request by sending it both by first-class mail and FedEx to the CRD Address.<sup>59</sup> The staff also sent an additional copy of the Third Information Request to Wodrich’s personal email address via Request Manager.<sup>60</sup>

On October 30, 2023, one day before the deadline for responding to the Third Information Request, Wodrich wrote to FINRA via Request Manager that he “do[es] not consent” to FINRA’s requests for information and documents.<sup>61</sup>

To date, Wodrich has not provided a complete response to the First, Second, or Third Information Requests.<sup>62</sup>

## **F. Wodrich Failed to Appear and Provide Testimony (Second Cause of Action)**

### **1. The First OTR Request**

In addition to sending Wodrich three written requests to produce information and documents, FINRA also twice asked him to appear and provide testimony in connection with its investigation.

In its first request, sent to Wodrich on October 17, 2023, FINRA requested, pursuant to FINRA Rule 8210, that he appear for testimony on November 9, 2023 (the “First OTR Request”).<sup>63</sup> FINRA staff sent the First OTR Request by both certified mail, return receipt requested, and first-class mail to the CRD Address.<sup>64</sup> FINRA also sent additional copies of the First OTR Request to Wodrich’s personal email address, via both Request Manager and electronic mail.<sup>65</sup>

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<sup>56</sup> Compl. ¶ 25; Arumugam Decl. ¶ 37; CX-7, at 1.

<sup>57</sup> Arumugam Decl. ¶ 37; CX-7, at 1.

<sup>58</sup> Arumugam Decl. ¶ 38; CX-7, at 2.

<sup>59</sup> Compl. ¶ 26; Arumugam Decl. ¶ 40; CX-7, at 1.

<sup>60</sup> Compl. ¶ 27; Arumugam Decl. ¶ 42; CX-7, at 1.

<sup>61</sup> Compl. ¶ 31; Arumugam Decl. ¶ 45.

<sup>62</sup> Compl. ¶ 33; Arumugam Decl. ¶ 46.

<sup>63</sup> Compl. ¶ 34; Arumugam Decl. ¶ 47; CX-8.

<sup>64</sup> Compl. ¶ 35; Arumugam Decl. ¶ 50; CX-8, at 1.

<sup>65</sup> Compl. ¶¶ 36–37; Arumugam Decl. ¶¶ 50–51; CX-8, at 1.



On October 30, 2023, Wodrich wrote to FINRA via Request Manager that he did “not consent” to the request for his testimony.<sup>66</sup> He additionally stated, “This is my testimony: I am guilty of bending over backwards, continuously going the extra mile, and always doing what is in the best interests of the client.”<sup>67</sup>

Wodrich did not appear for testimony on November 9, 2023.<sup>68</sup>

## **2. The Second OTR Request**

Because Wodrich did not appear in response to FINRA’s First OTR Request, on November 10, 2023, FINRA staff again requested his testimony, pursuant to FINRA Rule 8210 (the “Second OTR Request”).<sup>69</sup> The Second OTR Request asked that Wodrich appear and provide testimony on November 17, 2023.<sup>70</sup> If he did not appear and provide testimony as requested on November 17, 2023, the Second OTR Request warned Wodrich he could be subject to sanctions, including a bar.<sup>71</sup>

FINRA staff sent the Second OTR Request both by certified mail, return receipt requested, and first-class mail to the CRD Address.<sup>72</sup> The staff also sent an additional copy of the Second OTR Request to Wodrich’s personal email address via Request Manager.<sup>73</sup>

On November 17, 2023, the date of his scheduled testimony, Wodrich wrote to FINRA via Request Manager, stating he did “not consent” to the request that he testify.<sup>74</sup> As he had written in response to the First OTR Request, Wodrich again stated, “This is my testimony: I am guilty of bending over backwards, continuously going the extra mile, and always doing what is in the best interests of the client.”<sup>75</sup>

Wodrich did not appear for testimony on November 17, 2023.<sup>76</sup>

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<sup>66</sup> Compl. ¶ 41; Arumugam Decl. ¶ 55.

<sup>67</sup> Compl. ¶ 41; Arumugam Decl. ¶ 55.

<sup>68</sup> Compl. ¶ 42; Arumugam Decl. ¶ 55.

<sup>69</sup> Compl. ¶ 43; Arumugam Decl. ¶ 56; CX-9.

<sup>70</sup> Compl. ¶ 43; Arumugam Decl. ¶ 56; CX-9, at 1.

<sup>71</sup> CX-9, at 1.

<sup>72</sup> Compl. ¶ 44; Arumugam Decl. ¶ 58; CX-9, at 1.

<sup>73</sup> Compl. ¶ 45; Arumugam Decl. ¶ 60; CX-9, at 1.

<sup>74</sup> Compl. ¶ 49; Arumugam Decl. ¶ 64.

<sup>75</sup> Compl. ¶ 49; Arumugam Decl. ¶ 64.

<sup>76</sup> Compl. ¶ 50; Arumugam Decl. ¶ 64.

### **G. Respondent Violated FINRA Rules 8210 and 2010 by Failing to Produce Information and Documents and by Failing to Appear for an OTR**

FINRA Rule 8210(a)(1) requires that persons subject to FINRA’s jurisdiction “provide information orally, in writing, or electronically . . . and to testify . . . with respect to any matter involved in [an] investigation, complaint, examination, or proceeding.” FINRA Rule 8210(a)(2) additionally authorizes FINRA to “inspect and copy the books, records, and accounts” of persons subject to its jurisdiction “with respect to any matter involved in [an] investigation, complaint, examination, or proceeding that is in such . . . person’s possession, custody or control.” FINRA Rule 8210(c) provides that “[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.”

Because FINRA lacks subpoena power, it must rely on FINRA Rule 8210 “to obtain from its members [and associated persons] information necessary to conduct its investigations.”<sup>77</sup> “Delay and neglect on the part of members and their associated persons” in responding to FINRA’s requests “undermine the ability of [FINRA] to conduct investigations and thereby protect the public interest.”<sup>78</sup> For this reason, the SEC has long recognized that associated persons have an “unequivocal obligation to cooperate fully and promptly with FINRA’s information and OTR requests.”<sup>79</sup> Wodrich failed to comply with that obligation.

FINRA properly served the requests, in accordance with FINRA Rule 8210(d), and Wodrich had actual notice of them, as evidenced by his communications with FINRA staff about the requests both by email and via Request Manager.<sup>80</sup> Wodrich nonetheless failed to provide FINRA with the information it requested.

Wodrich refused outright to appear for an OTR, offering no explanation other than that he did “not consent” to FINRA’s request for his testimony.<sup>81</sup> He also failed to fully comply with the First, Second, and Third Information Requests. Wodrich failed to provide any information or documents in response to the First Information Request.<sup>82</sup> Although he eventually provided FINRA with some information and documents in response to the Second Information Request, his response was, at best, incomplete and, at worst, unresponsive. Instead of addressing the 13 specific requests for information and documents made in the Second Information Request, Wodrich re-produced the same information and documents he previously provided to FINRA in response to an earlier request.<sup>83</sup> Because Wodrich’s response failed to address at least nine of

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<sup>77</sup> *Howard Brett Berger*, Exchange Act Release No. 58950, 2008 SEC LEXIS 3141, at \*13 n.19 (Nov. 14, 2008) (quoting *Richard J. Rouse*, Exchange Act Release No. 32658, 1993 SEC LEXIS 1831, at \*7 (July 19, 1993)), *aff’d*, 347 F. App’x 692 (2d Cir. 2009).

<sup>78</sup> *Rouse*, 1993 SEC LEXIS 1831, at \*13.

<sup>79</sup> *David Kristian Evansen*, Exchange Act Release No. 75531, 2015 SEC LEXIS 3080, at \*10 (July 27, 2015).

<sup>80</sup> See Compl. ¶¶ 13, 23, 31, 41, 49; Arumugam Decl. ¶¶ 22, 34, 36, 45, 55, 64; CX-5.

<sup>81</sup> See Compl. ¶¶ 41–42, 49–50; Arumugam Decl. ¶¶ 55, 64.

<sup>82</sup> See Compl. ¶ 15; Arumugam Decl. ¶ 24.

<sup>83</sup> See Compl. ¶¶ 23–24; Arumugam Decl. ¶¶ 34–36.

FINRA's 13 requests for information and documents,<sup>84</sup> FINRA gave him another opportunity to fully cooperate.<sup>85</sup> Yet, Wodrich again failed to produce the requested information and documents.<sup>86</sup> Instead, he told FINRA he did "not consent" to its requests.<sup>87</sup> In short, Wodrich failed to provide the "full and prompt cooperation" that is required under FINRA Rule 8210.<sup>88</sup>

By failing to respond fully to FINRA's requests for information and documents and by refusing entirely to appear for an OTR, Wodrich violated FINRA Rule 8210. Because a violation of FINRA Rule 8210 constitutes a violation of FINRA Rule 2010, which requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business,<sup>89</sup> Wodrich also violated FINRA Rule 2010.

### III. Sanctions

Under FINRA's Sanction Guidelines ("Guidelines"), it may be appropriate in certain circumstances to aggregate violations for the purposes of determining sanctions.<sup>90</sup> I find it appropriate to aggregate the violations under the first and second causes of actions here, and to impose a unitary sanction, because both violations relate to Wodrich's failure to comply with FINRA Rule 8210 requests.

Because Wodrich provided FINRA with some information and documents before he stopped cooperating with its investigation, I look to the Guidelines that apply to "partial but incomplete" responses to FINRA Rule 8210 requests. When a respondent provides a partial but incomplete response to a FINRA Rule 8210 request, the Guidelines provide that "a bar is standard unless the person can demonstrate that the information provided substantially complied with all aspects of the request."<sup>91</sup> Where mitigation exists, the Guidelines recommend suspending the respondent in all capacities for up to two years.<sup>92</sup> The Principal Considerations specific to a partial but incomplete response are (1) the importance of the information requested

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<sup>84</sup> See Compl. ¶ 24; Arumugam Decl. ¶ 35.

<sup>85</sup> See Compl. ¶ 25; Arumugam Decl. ¶ 37; CX-7.

<sup>86</sup> See Compl. ¶ 32; Arumugam Decl. ¶ 46.

<sup>87</sup> See Compl. ¶ 31; Arumugam Decl. ¶ 45.

<sup>88</sup> *CMG Inst'l Trading, LLC*, Exchange Act Release No. 59325, 2009 SEC LEXIS 215, at \*15 (Jan. 30, 2009) (citation omitted).

<sup>89</sup> *Blair C. Mielke*, Exchange Act Release No. 75981, 2015 SEC LEXIS 3927, at \*41 n.49 (Sept. 24, 2015).

<sup>90</sup> FINRA Sanction Guidelines at 4 (2024), <http://www.finra.org/sanctionguidelines> ("The range of monetary sanctions in each case may be applied in the aggregate for similar types of violations rather than per individual violation."); see also *Dep't of Enforcement v. Fox & Co. Inv., Inc.*, No. C3A030017, 2005 NASD Discip. LEXIS 5, at \*37 (NAC Feb. 24, 2005) (when "multiple, related violations arise as a result of a single underlying problem, a single set of sanctions may be more appropriate"), *aff'd*, Exchange Act Release No. 52697, 2005 SEC LEXIS 2822 (Oct. 28, 2005).

<sup>91</sup> Guidelines at 93.

<sup>92</sup> *Id.*

that was not provided as viewed from FINRA’s perspective, and whether the information provided was relevant and responsive to the request; (2) the number of requests made, the time the respondent took to respond, and the degree of regulatory pressure required to obtain a response; and (3) the reasons offered by the respondent to justify the partial but incomplete response.<sup>93</sup>

Wodrich did not substantially comply with FINRA’s requests. He refused entirely to appear for an OTR.<sup>94</sup> And although he provided FINRA with some information and documents, he failed to respond to at least nine of the 13 requests made in the First, Second, and Third Information Requests.<sup>95</sup>

Enforcement represents that the information sought from Wodrich was important, and his failure to provide it impeded FINRA’s investigation into potentially serious misconduct.<sup>96</sup>

Wodrich failed to provide the requested information in response to two requests for his testimony and three requests to produce information and documents.

Wodrich offered no justification for his refusal to appear for an OTR, stating only that he did “not consent” to FINRA’s request for his testimony.<sup>97</sup> With respect to the First, Second, and Third Information Requests, Wodrich told FINRA he had already provided it with “everything [he] ha[d] access to.”<sup>98</sup> However, even assuming Wodrich did not have access to the information or documents requested by FINRA—and that seems unlikely given the nature of the requests, which sought information ostensibly within his personal knowledge<sup>99</sup>—he had an obligation to raise, discuss, and try to resolve his concerns with FINRA “in the cooperative spirit and prompt manner contemplated by the Rules.”<sup>100</sup> Wodrich failed to do so.

I also considered whether the record reflected any countervailing mitigating factors, and I find none.

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<sup>93</sup> *Id.*

<sup>94</sup> Compl. ¶¶ 42, 50; Arumugam Decl. ¶¶ 55, 64.

<sup>95</sup> Compl. ¶ 24; Arumugam Decl. ¶ 35.

<sup>96</sup> Arumugam Decl. ¶¶ 99–100.

<sup>97</sup> Compl. ¶¶ 41, 49; Arumugam Decl. ¶¶ 55, 64.

<sup>98</sup> Compl. ¶ 23; Arumugam Decl. ¶ 36.

<sup>99</sup> *See, e.g.,* CX-4, at 1–2 (requesting, among other information, the telephone numbers that Wodrich used to communicate with customers and the names of customers with whom he communicated using a personal email address).

<sup>100</sup> *North Woodward Fin. Corp.*, Exchange Act Release No. 74913, 2015 SEC LEXIS 1867, at \*26 (May 8, 2015) (quoting *Rouse*, 1993 SEC LEXIS 1831, at \*8 n.9), *aff’d*, 2016 U.S. App. LEXIS 24259 (6th Cir. June 29, 2016).

Based on the foregoing, I conclude that the appropriate sanction is a bar in all capacities. In light of the bar, I do not also impose a fine.<sup>101</sup>

#### IV. Order

Enforcement's Default Motion is **GRANTED**. I find that Respondent Charles William Wodrich violated FINRA Rules 8210 and 2010. For these violations, Respondent Charles William Wodrich is barred from associating with any FINRA member firm in any capacity. This Decision will become FINRA's final decision unless it is appealed to the National Adjudicatory Council by a party or it is called for review. The bar shall become effective immediately if this Default Decision becomes FINRA's final disciplinary action.



Carla Carloni  
Carla Carloni  
Hearing Officer

Copies to:

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<sup>101</sup> Guidelines at 9 (Technical Matters) (“Adjudicators generally should not impose a fine if an individual is barred and there is no customer loss.”). The record in this case does not reflect customer loss.