

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant

vs.

CAROLYN CALLAHAN
Registered Representative
(CRD No. 4115887)

Respondent

**Disciplinary Proceeding
No. 2005000724301**

Hearing Officer:

COMPLAINT

Upon information and belief, Complainant alleges as follows:

1. Between in or about November 2002 and in or about April 2004, Carolyn Callahan ("Callahan") was registered with Brookstone Securities, Inc., now known as Rise ("Rise"), a member of NASD. Between in or about April 2004 and in or about February 2005, Callahan was registered with Brecek and Young Advisors, Inc. ("BYA"). In or about February 2005, BYA filed a Uniform Termination Notice for Securities Industry Registration (Form U-5), which terminated Callahan's registration with BYA. Given that this complaint was filed within two years of the effective date of the termination of registration of Callahan with a member of NASD, Callahan is subject to the jurisdiction of NASD, pursuant to Article V, Section 4 of NASD's By-Laws.

**NASD Conduct Rules 2330 and 2110
Improper Use of a Customer's Funds**

2. In December 2003, while registered with Rise, Callahan accepted a check from customer JR made payable to Oppenheimer Funds in the amount of \$20,000. The funds were to be invested in Oppenheimer mutual funds. Callahan forged the endorsement of Oppenheimer Funds on the back of the check and deposited it into her business checking account.

3. In December 2004, while registered with BYA, Callahan accepted a check from customer JR made payable to Oppenheimer Funds in the amount of \$25,000. The funds were to be invested in Oppenheimer mutual funds. Callahan forged the endorsement of Oppenheimer Funds on the back of the check and deposited it into her business checking account.

4. JR's funds were never paid to Oppenheimer Funds.

5. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 2330(a) and 2110 on the part of Callahan.

PRAYER FOR RELIEF

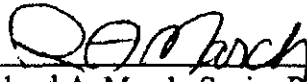
WHEREFORE, Complainant respectfully requests:

- A. Findings of fact and conclusions of law that Callahan committed the violations charged and alleged herein;
- B. An order imposing sanctions upon Callahan in accordance with NASD Procedural Rule 8310;
- C. An order imposing such costs of any proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330; and

D. An order imposing any other fitting sanction.

**NASD DEPARTMENT OF
ENFORCEMENT**

Date: September 15, 2006



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