

**NASD
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

LAWRENCE NALLIE
General Securities Representative
CRD # 2364153 ,

Respondent.

Disciplinary Proceeding
No. 2005000725301

Hearing Officer

COMPLAINT

Upon information and belief, Complainant alleges as follows:

1. Lawrence Nallie ("Respondent Nallie") was associated with American Express Financial Advisors ("Member"), a member of NASD, from about October 9, 1996 until November 19, 2003. During that time, Respondent Nallie was associated with the Member as a sales representative and was registered with NASD as a General Securities Representative.

FIRST CAUSE OF COMPLAINT

Misuse of Customer Funds

Violation of NASD Conduct Rules 2110 and 2330

2. Paragraph number 1, above, is realleged and incorporated herein by reference.
3. On or about June 17, 2003, while Respondent Nallie was associated with the Member, he obtained a personal check payable to "Lawrence Nallie and Associates" in the amount of \$1,300 from customer TE, in payment for a financial plan and

financial services, which check Respondent Nallie cashed without providing the financial plan and financial services to TE.

4. Respondent Nallie's conduct constitutes a misuse of customer funds in violation of NASD Conduct Rules 2110 and 2330.

SECOND CAUSE OF COMPLAINT
Outside Business Activities
Violations of NASD Conduct Rules 2110 and 3030

5. Paragraphs 1 through 4 of the Complaint are realleged and incorporated herein by reference for purposes of this cause of action.
6. On or about June 17, 2003, Respondent Nallie engaged in outside business activities by soliciting and accepting payment of \$1,300 from customer TE as compensation for providing a financial plan and financial services. Respondent Nallie failed to provide prompt written notice of his activities to the Member.
7. The acts, practices and conduct described above constitute separate and distinct violations of NASD Conduct Rules 2110 and 3030 by Respondent Nallie.

THIRD CAUSE OF COMPLAINT
Failure to Respond
NASD Conduct Rule 2110 and NASD Procedural Rule 8210

8. Paragraphs 1 through 7 of the Complaint are realleged and incorporated herein by reference for purposes of this cause of action.
9. On or about April 14, 2005, NASD staff sent to Respondent Nallie a request that he provide certain documents and information, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That request for information was sent by first class mail and certified mail, return requested, to Respondent Nallie's address of

record as contained in the records of the Central Registration Depository ("CRD address"). The first class mailing and the certified mailing were returned to NASD staff stamped "Unable to Forward". The mailings were also sent to two additional addresses that Respondent recently disclosed to NASD during his defense in an ongoing disciplinary matter, that were sent by first class mail and certified mail. The certified mail was returned to NASD stamped "Unclaimed" and the first class mail was not returned.

10. On or about April 29, 2005, NASD staff sent to Respondent Nallie the same request that he provide certain documents and information, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That request for information was sent by first class mail and by certified mail, return receipt requested, to Respondent Nallie's CRD address. The first class mailing was returned to NASD staff stamped "Unclaimed" and the certified mailing was returned to NASD staff stamped "Attempted – Not Known". The mailings were also sent to two additional addresses that Respondent recently disclosed to NASD during his defense in an ongoing disciplinary matter, that were sent by first class mail and certified mail. The certified mailings were returned to NASD staff stamped "Unclaimed" and "Not Deliverable as Addressed". The first class mailings to the two recently disclosed addresses were not returned.
11. Respondent Nallie failed to respond to each and all of the requests for documents and information described in Paragraphs 8, 9 and 10 above by the due date of May 13, 2005.
12. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and NASD Procedural Rule 8210.

PRAYER FOR RELIEF

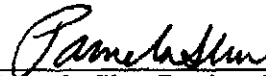
WHEREFORE, Complainant respectfully requests:

- A. Findings of fact and conclusions of law that Respondent Nallie committed the violations charged and alleged herein;
- B. An order imposing sanctions upon Respondent Nallie in accordance with NASD Procedural Rule 8310;
- C. An order requiring Respondent to make full and complete restitution, together with interest.
- D. An order imposing such costs of any proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Procedural Rule 8330;
- E. An order imposing any other fitting sanction.

NASD DEPARTMENT OF ENFORCEMENT

October 20, 2005

Date



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