

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant

vs.

MANUEL ROSE III
Limited Registered Representative
(CRD No. 1424164)

Respondent

**Disciplinary Proceeding
No. 2005000760301**

Hearing Officer:

COMPLAINT

Upon information and belief, Complainant alleges as follows:

1. Between in or about June 2000 and in or about January 2005, Manuel Rose III (Rose) was registered with O.N. Equity Sales Company ("Member"), a member of NASD. In or about January 2005, the Member filed a Uniform Termination Notice for Securities Industry Registration (Form U-5), which terminated Rose's registration with the Member. Given that this complaint was filed within two years of the effective date of the termination of registration of Rose with a member of NASD, Rose is subject to the jurisdiction of NASD, pursuant to Article V, Section 4 of NASD's By-Laws.

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

2. Between August 2003 and January 2004, Rose requested that public customer RB withdraw funds from two variable annuities issued by Ohio National Life Insurance Company ("Ohio National") that he had previously sold to RB, and use those funds to purchase other products sold by Ohio National.

3. On three separate occasions between August 2003 and January 2004, RB withdrew a total of approximately \$22,000 from her two variable annuities with Ohio National and deposited the funds into her checking account.

4. Shortly after each occasion on which she made a withdrawal, RB delivered funds to Rose to be invested in other products sold by Ohio National. The funds were then deposited into Rose's checking account.

5. Following each occasion on which Rose deposited funds into his checking account, he never made any investment on behalf of RB with Ohio National or any other entity.

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

SECOND CLAIM
NASD Conduct Rule 2110 and NASD Procedural Rule 8210
Failure to Respond to Requests for Information

7. Paragraphs 1 through 6 are re-alleged and incorporated herein by reference.

8. On or about June 1, 2005, the Staff sent to Rose a request that he provide certain information, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210.

That request for information was sent by first class and certified mail to Rose's CRD address. The letter requested a response by June 15, 2005. The letters were never returned.

9. On or about June 15, 2005, an attorney contacted the Staff and stated that he may be representing Rose, but needed an extension until June 30, 2005. The Staff granted the extension until June 30, 2005.

10. On or about June 27, 2005, the same attorney contacted the Staff a second time and requested unspecified additional time.

11. On or about June 29, 2005, the Staff sent a second request to Rose asking that he provide certain information, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That second request for information was sent by first class and certified mail to Rose's CRD address as well as the attorney who contacted the Staff. The second request asked that Rose respond by July 15, 2005. The letters sent to Rose were never returned. The first class mail sent to the attorney was never returned, while the receipt form for the certified mail was returned dated July 5, 2005 with a signature of Beth Smith.

12. On or about August 1, 2005, the Staff sent a third request to Rose asking that he provide certain information, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That third request for information was sent by first class mail and certified mail to Rose's CRD address. The letter asked for a response by August 15, 2005. The first class letter was not returned, while the return receipt showed that a member of the Rose household signed for the letter on August 5, 2005.

13. The acts, practices and conduct described above constitute separate and distinct violations of NASD Conduct Rule 2110 and Procedural Rule 8210 by Rose.

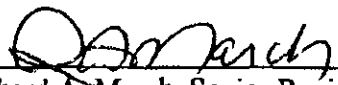
PRAYER FOR RELIEF

WHEREFORE, Complainant respectfully requests:

- A. Findings of fact and conclusions of law that Rose committed the violations charged and alleged herein;
- B. An order imposing sanctions upon Rose 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: 9/21/06


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