

**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: Sara Nelson Bloom

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

INTRODUCTION

Department of Enforcement ("Complainant") filed this disciplinary proceeding on September 22, 2006. Respondent Manuel Rose III ("Respondent" or "Rose") submitted an Offer of Settlement ("Offer") to Complainant on November 15, 2006. Pursuant to Code of Procedure Rule 9270(e), Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC. Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and

to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Rose entered the securities industry in November 1985 as an Investment Company and Variable Contracts Products Representative with a member of NASD. In June 2000, he became registered in the same capacity with O.N. Equity Sales Company ("Member"). In January 2005, he was terminated from the Member. Since January 2005, he has not been registered with another member of NASD. Respondent has no history of disciplinary proceedings.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as to Respondent as follows:

1. 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.

2. 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.

3. 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.

4. 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.

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

6. 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.

7. 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.

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

9. 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.

10. 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.

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

SANCTIONS

It is ordered that Respondent be barred from association with any NASD Member in any capacity. The sanctions imposed herein shall be effective on a date set by NASD staff.

SO ORDERED.

Date: December 13, 2006

NASD

Signed on behalf of the
Director of ODA, by delegated authority

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