

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

JEFFREY MICHAEL MARTINOUS,
(CRD No. 3011007)

Respondent.

Disciplinary Proceeding
No. 20050016241-01

Hearing Officer _____

COMPLAINT

Upon information and belief, Complainant alleges as follows:

1. Respondent Jeffrey Michael Martinous ("Martinous") became registered with NASD as a Series 7 General Securities Representative on or about April 7, 1998. Martinous has been registered with IFMG Securities, Inc. ("IFMG") since on or about January 20, 2003. The violations charged herein occurred while Martinous was registered with IFMG. Accordingly, he remains subject to NASD's jurisdiction.

FIRST CAUSE OF ACTION
UNAUTHORIZED TRADING
(Violation of NASD Conduct Rule 2110 and IM-2310-2)

2. Paragraph number 1 is re-alleged and incorporated herein by reference.
3. On or about February 12, 2004, customer C.S. met with Martinous in a bank branch in Stoughton, Massachusetts to discuss possible investments. C.S. is a stay-at-home mother whose husband's annual salary is approximately \$50,000. At the time, C.S. held two Class A mutual funds in the Pioneer fund family totaling approximately \$51,000: the Pioneer Value Fund, a conservative equity

growth fund, and the Pioneer Equity Income Fund. The mutual fund shares were held in C.S.'s IRA and were her primary investment.

4. During the meeting, Martinous recommended that C.S. sell her Pioneer mutual funds and purchase Class B shares of the MFS Aggressive Growth Allocation Fund. C.S. informed Martinous that she was not interested in the proposed investment, but would consider it and advise him at a later date if she wanted to proceed with the transaction.
5. Martinous requested that C/S sign two documents during their meeting, an IFMG Confidential Data Profile, which contained new-account type information regarding C.S. such as her investment objectives, age, etc.; and an MFS IRA Application. Martinous advised C.S. that these document would be required if C.S decided at a later date to switch her mutual funds from Pioneer to MFS.
6. On or about February 23, 2004, Martinous, without C.S.'s consent or authority, sold her Class A Pioneer Funds and used the proceeds to purchase Class B shares of the MFS Aggressive Growth Allocation Fund.
7. As a result of this conduct, Martinous violated NASD Conduct Rule 2110 and IM-2310-2.

SECOND CAUSE OF ACTION
FORGERY

(Violation of NASD Conduct Rule 2110 and IM-2310-2)

8. Paragraph numbers 1 through 7 are re-alleged and incorporated herein by reference.

9. In connection with Martinous' unauthorized sale of C.S.'s Pioneer funds and unauthorized purchase of the MFS Aggressive Growth Allocation Fund, Martinous signed, or caused to be signed, C.S.'s signature on two documents: an IFMG Mutual Fund Unit Investment Trust and Variable Annuity Summary Form and a MFS IRA Transfer Form. Both documents were dated February 12, 2004, and were necessary (and required) to effect the mutual fund transaction described herein. Martinous did not have C.S.'s consent or authority to sign her name to the aforementioned documents.
10. As a result of this conduct, Martinous violated NASD Conduct Rule 2110 and IM-2310-2.

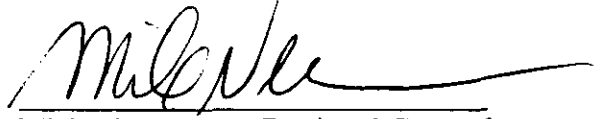
PRAYER FOR RELIEF

WHEREFORE, Complainant respectfully requests:

- A. Findings of fact and conclusions of law that Respondent Martinous committed the violations charged and alleged herein;
- B. An order imposing sanctions upon Respondent Martinous in accordance with NASD 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 granting all further relief that is warranted under the circumstances.

NASD DEPARTMENT OF ENFORCEMENT

Date: July 10, 2006



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