

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

Jose H. Manjarres,
(CRD No. 2718838)

Respondent.

Disciplinary Proceeding
No. 2005001663001

Hearing Officer – AHP

**ORDER ACCEPTING
OFFER OF SETTLEMENT**

Date: January 23, 2007

INTRODUCTION

Disciplinary Proceeding No. 2005001663001 was filed on or about December 18, 2006, by the Department of Enforcement of NASD ("Complainant"). Respondent Jose H. Manjarres ("Manjarres") submitted an Offer of Settlement ("Offer") to Complainant on or about January 15, 2007. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order is now 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

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Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Manjarres became registered with NASD as a general securities representative in December 1996, while associated with M.S. Farrell & Company, Inc. During all times relevant to this proceeding, Respondent Manjarres was registered with NASD member R.M. Stark & Co., Inc. ("R.M. Stark"). Manjarres is not currently employed by an NASD member. On or about May 18, 2005, Manjarres' last registration with an NASD member was terminated. Accordingly, Manjarres is still subject to the jurisdiction of the NASD pursuant to Article V, Section 4 of the NASD By-Laws.

FINDINGS AND CONCLUSIONS

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

1. Customers RZ and SC moved their joint account from another member firm to R.M. Stark with Respondent Manjarres when he began working at R.M. Stark in 2003. At the time of transferring the account to R.M. Stark, the account value was approximately \$35,000.
2. When opening the account at R.M. Stark on February 13, 2003, RZ instructed Respondent Manjarres to invest the account conservatively in bonds and cash equivalents and to avoid trading the account in equities.
3. From February 2003 until the Fall of 2004, trading in the account was minimal. In or about October 2004, Respondent Manjarres began engaging in equity trades without RZ and SC's knowledge, authorization and consent. Specifically, between the period of October 25, 2004 and April 12, 2005, Manjarres effected at least 70 unauthorized transactions in the account,

consisting mainly of aggressive short trading in equities. During the same time period, the account lost approximately \$14,101.60.

4. From on or about October 25, 2004 through on or about April 12, 2005, Respondent Manjarres effected or caused to be effected at least 70 transactions in RZ and SC's account without their authorization, knowledge or consent, as set forth on Schedule 1 attached hereto.

5. On March 31, 2006, NASD staff sent Respondent Manjarres a letter via First Class and certified mail to his address as reflected in CRD: [REDACTED]

[REDACTED] The letter requested that he appear for on-the-record testimony ("OTR") at the Florida District Office on May 3, 2006 at 9:30 a.m. The certified letter was returned as "unclaimed", but the first class mailing was not returned.

6. On or about April 22, 2006, Respondent Manjarres contacted the NASD examiner by telephone and indicated that he would not appear for the OTR. During this conversation, the examiner advised Manjarres that refusal to appear for the OTR could subject him to disciplinary action by NASD, including possibly being barred. Manjarres indicated that he planned to move to Venezuela and stated "Do what you have to do." The examiner requested that Manjarres send a letter stating he would not appear for the OTR.

7. Respondent Manjarres sent NASD staff a letter dated April 22, 2006 stating "I have decided not to appear at the on-the-record interview scheduled for May 3, 2006 at 9:30 AM at [REDACTED]"

8. Respondent Manjarres failed to appear for an OTR at the Florida District Office on May 3, 2006 or any date thereafter.

9. By reason of the foregoing, Manjarres violated NASD Conduct Rule 2110, NASD Procedural Rule 8210 and IM-2310-2.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent Manjarres shall 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. Pursuant to IM-8310-2(f), a bar or expulsion is effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD

By: 
David B. Klafter, Deputy Regional Chief
Counsel, on behalf of the Director of ODA,
pursuant to delegated authority.