

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

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REGISTRATION & DISCLOSURE

Department of Enforcement,

Complainant,

v.

DEBBIE M. SALEH,
Also known as Debbie Saleh Rubinstein
(CRD No. 2454630)

Respondent.

DISCIPLINARY PROCEEDING
No. 2005002169201

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. This case involves a pattern of violations of NASD rules by Respondent Debbie M. Saleh during the period from October 2001 through December 2007 (the relevant period), arising from her activities as a registered representative with Wachovia Securities, LLC and Wedbush Morgan Securities, Inc. During the relevant period, Saleh engaged in an extensive pattern of unsuitable variable annuity transactions, including unsuitable recommendations to purchase annuities; unauthorized and undisclosed partial withdrawals and switches; and discretionary trading without prior written authorization. As alleged below, Saleh accomplished these transactions through deceitful practices, including providing false account statements, falsifying documents with incorrect addresses and phone numbers, forged signatures, and inaccurate birth dates, and impersonating a customer on phone calls to an insurance company. Saleh also failed

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to disclose to customers and to her employing FINRA member firm that the majority of the transactions constituted annuity exchanges, thus avoiding additional supervisory review. Moreover, when questioned under oath by FINRA staff, Saleh provided false testimony in response to questions concerning the customer impersonation and the false account statements.

2. By virtue of this conduct, Saleh violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, and NASD Conduct Rules 2110, 2120, 2310 and IM-2310-2, 2510(b), and NASD Procedural Rule 8210.

RESPONDENT AND JURISDICTION

3. From May 31, 1994 through August 28, 2001, Saleh was associated as a registered representative with PaineWebber, now known as UBS Financial Services, Inc., a member of FINRA. From August 30, 2001 through October 24, 2004, Saleh was registered with Wachovia Securities, LLC (formerly known as First Union Securities), a member of FINRA. From October 29, 2004 through March 11, 2009, Saleh was registered with Wedbush Morgan Securities, Inc., a member of FINRA. Saleh presently is not registered.

4. Pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over Saleh for purposes of this complaint.

GENERAL ALLEGATIONS

Customer CAW

5. Customer CAW first opened an Individual Retirement Account with Saleh in 1995, with approximately \$200,000.00. At that time, CAW was a 50 year-old divorced nurse with three adult children. CAW told Saleh that she planned to retire at age 66, that she sought a safe return on her IRA, and that she could not afford to lose any principal. CAW placed her account and investment choices under Saleh's control.

6. In September 1995, Saleh bought the first variable annuity in CAW's IRA, as set forth in Schedule A, attached hereto and incorporated herein. Over the next two years, Saleh added to the annuity using dividends that were paid to CAW's brokerage account. By September 1997, the account was invested in B share mutual funds, two limited partnerships, and a variable annuity, with an aggregate value of approximately \$221,062.00.

7. In about June 1998, Saleh liquidated the variable annuity and began a pattern in CAW's IRA of switching mutual fund B shares and variable annuities. Saleh's variable annuity purchases in CAW's account generally were transacted through a SNAP application, which did not require CAW's signature. CAW did not understand that she was investing in variable annuities.

8. In early 1999, CAW questioned Saleh about the fluctuations in value in her IRA, as reflected on her brokerage account statements. Saleh suggested that CAW invest in an instrument that would provide a minimum five percent return, with no risk of loss of principal. CAW agreed to the proposed investment, again not understanding that she was investing in a variable annuity.

9. Between 1998 and August 2001, Saleh invested CAW's money in seven variable annuities. These investments were made with the proceeds of partial withdrawals and by switching among variable annuities. Saleh did not discuss these transactions with CAW or obtain her authorization prior to effecting the transactions. By August 2001, when Saleh changed firms, CAW's IRA account was invested entirely in variable annuities. At that time, Saleh encouraged CAW to shred her account records, assuring CAW that Saleh maintained the records.

10. Between February 2002 and August 2004 of the relevant period, Saleh continued her pattern of unauthorized variable annuity switching in CAW's IRA account. During this period, without CAW's knowledge, authorization or consent, Saleh caused CAW to surrender funds in whole or in part from eight annuities through ten transactions, and to reinvest the proceeds in six annuities. In connection with the foregoing transactions, Saleh generated sales commissions and caused CAW to incur surrender penalties, as set forth on Schedule A, and to be subject to new periods of contingent deferred sales charges. The foregoing transactions were effected in a qualified account for which the firm served as custodian. In connection with these transactions, Saleh obtained necessary signatures from the firm's custodian to authorize the transactions, without informing CAW of the transactions, and failed to disclose to CAW or to the firm that these transactions were annuity exchanges, or that surrender fees applied.

11. In December 2002, CAW deposited an additional \$14,790.68 into her IRA, *representing the proceeds of a pension plan distribution*. Saleh invested the foregoing funds and the account's small money market balance into an additional variable annuity. At that time, Saleh began a pattern of placing or causing to be placed, false addresses, under Saleh's control, on documents related to annuity transactions in CAW's account.

12. In or about 2003, CAW became concerned again regarding account fluctuations. Saleh again told CAW not to be concerned, that she was investing CAW's funds for long-term returns in five-year contracts, and that CAW should evaluate the account only in five-year increments. On the basis of Saleh's representations that her account statements did not reflect accurately the true performance of the account and that short-term performance was not indicative of actual account value, CAW relied on Saleh's assurances and explanations, and did not carefully review communications from the firm regarding her investment account.

13. In or about April 2004, without CAW's knowledge, authorization or consent, Saleh caused CAW to surrender entirely a variable annuity, worth approximately \$82,331.11, which Saleh had purchased only about 15 months before; ten days later, Saleh invested the proceeds in a new annuity with a different issuer. In or about August 2004, without CAW's knowledge, authorization or consent, Saleh caused CAW to surrender the entirety of three annuities, and to reinvest the proceeds in one new annuity. In connection with the foregoing transactions, Saleh generated sales commissions and caused CAW to incur surrender penalties, as set forth on Schedule A, and to be subject to new periods of contingent deferred sales charges. To facilitate the foregoing transactions, Saleh used false addresses on the withdrawal and purchase forms, and failed to disclose to CAW or to the firm that these transactions were annuity exchanges or that surrender penalties applied.

14. On or about September 30, 2004, CAW's IRA statement reflected that she owned five variable annuities totaling \$205,294.61. The statement was inaccurate, however, because, in January 2003, Saleh had fully surrendered two of those annuity contracts. On or about September 30, 2004, CAW's IRA account held only three annuities, with a total value of approximately \$166,362.55.

Customers LA and EA

15. LA and EA began investing through Saleh in the 1990s. LA was fifty years old and her investment objective was growth with a low to moderate risk tolerance. LA, a member of Saleh's family, and EA placed their accounts and investment choices under Saleh's control. LA had an individual investment account and an IRA qualified account, and EA had an IRA qualified account, as set forth in Schedules B1, B2, and B3, respectively, attached hereto and incorporated herein. In December 2000, Saleh purchased two annuities for LA and EA:

\$95,000.00 in LA's IRA, and \$101,000.00 in EA's IRA. LA and EA understood the investments to be contracts with a guaranteed return, but did not understand that they were variable annuities.

16. In late 2003, Saleh began a pattern of unauthorized withdrawals and switches in LA's and EA's annuities. In or about November and December 2003, without LA's or EA's knowledge, authorization or consent, Saleh caused LA and EA to surrender all or part of four annuities, and to reinvest the proceeds in four separate annuities. In connection with the foregoing transactions, Saleh generated sales commissions and caused LA and EA to incur surrender penalties, as set forth in Schedules B1, B2, and B3, and to be subject to new periods of contingent deferred sales charges. In connection with the foregoing transactions, Saleh used false addresses and forged signatures on surrender requests, applications, delivery receipts, and disclosure forms, and failed to disclose to LA, EA, or to the firm that these transactions were annuity exchanges.

17. In connection with the transactions alleged in Paragraph 16, Saleh caused the surrender of a variable annuity held in a non-qualified account and the investment of proceeds in a new variable annuity held in an IRA, with a value of approximately \$178,000.00, without the knowledge, authorization or consent of LA.

18. In June 2004, without LA's or EA's knowledge, authorization or consent, Saleh caused LA and EA to surrender three annuities in part, and to reinvest the proceeds in three separate annuities. In connection with the foregoing transactions, Saleh generated sales commissions and caused LA and EA to incur surrender penalties, as set forth in Schedules B1, B2, and B3, and to be subject to new periods of contingent deferred sales charges. In connection with the foregoing transactions, Saleh used false addresses and forged signatures on surrender

requests, applications, delivery receipts, and disclosure forms, and failed to disclose to LA, EA, or to the firm that these transactions were annuity exchanges.

19. In effecting the transactions in the accounts of LA and EA, Saleh from time to time spoke by telephone with representatives of the annuity companies. On several occasions, including but not limited to on or about September 3, 2003, and March 11, 2004, Saleh impersonated LA without the customer's authorization in order to obtain information regarding LA's annuities.

20. In December 2005 and February 2006, LA received \$245,000.00 and \$292,000.00, respectively, in lump sum payouts from her employer's retirement plan. Saleh caused these funds to be invested entirely in two variable annuities; as a result, as of February 2006, all of LA's and EA's liquid assets were invested in variable annuities.

21. During the period from December 2005 through September 2007, Saleh provided LA with documents that Saleh prepared or caused to be prepared and that reflected false and inaccurate information regarding LA's and EA's investments in variable annuities. The foregoing documents purported to be portfolio statements, prepared by Saleh, and account histories purportedly generated and provided by insurance companies. These statements and insurance documents were false and inaccurate in that they purported to reflect that LA and EA owned variable annuities that had been wholly or partially surrendered, thus creating the appearance that the purported value of LA's and EA's investment portfolio was greater than it actually was.

Customers LG and JG

22. LG and JG, born in [REDACTED] and [REDACTED] respectively, began doing business with Saleh about the time they decided to retire and travel in their motor home following the 1994

Northridge Earthquake. Between 1994 and 2002, they invested approximately \$650,000.00 with Saleh. These funds represented the bulk of LG's and JG's net worth and the primary source of funding for their retirement. They were the proceeds from LG's and JG's investments in residential rental homes in the San Fernando Valley, from the 1950s until late 2001.

23. Throughout their relationship with Saleh, the investment objectives of LG and JG were safety, income, and diversity. During the entire period that they invested with Saleh, LG and JG believed they were invested in corporate bonds or similar investments, consistent with their investment objective of income, low risk tolerance and desire for portfolio diversification.

24. Following JG's death in February 2007, LG received death claim benefits from two insurance companies, and thereby discovered that, since November 2001, without their knowledge, authorization or consent, Saleh had caused all of LG's and JG's funds to be invested in variable annuities. At that time, LG also discovered that, without their knowledge, authorization or consent, during the period from December 2002 through June 2007, Saleh had caused partial surrenders of the variable annuities to make what LG and JG had understood to be "interest" deposits to their bank account. At 91 years of age and living in an assisted living facility, LG discovered that his portfolio was worth approximately \$170,000.00, and that, believing they were receiving interest on a bond portfolio, he and his wife unwittingly had spent the majority of the funds they had saved for retirement.

25. During the period from in or about October 2001 through May 2007, without the knowledge, authorization or consent of LG or JG, Saleh caused the address of record for their accounts to be changed to addresses under her personal control.

26. In November 2001, LG and JG deposited approximately \$145,000.00 from the sale of their last rental house, and instructed Saleh to invest it in accordance with their existing bond

portfolio. Without the knowledge, authorization or consent of LG or JG, Saleh invested the funds in a variable annuity. Thereafter, during the period from January 2002 through October 2006, in approximately 83 transactions, Saleh caused LG and JG to surrender funds in whole or in part from bond and mutual fund investments and approximately 17 annuities, and to reinvest the proceeds in approximately 13 separate annuities, as set forth on Schedule C, attached hereto and incorporated herein, without the knowledge, authorization or consent of LG or JG.

27. During the period from in or about December 2002 through September 2007, without the knowledge, authorization or consent of LG or JG, Saleh withdrew or caused funds to be withdrawn approximately quarterly from variable annuities and subsequently deposited the funds in LG's bank account, knowing that LG and JG would believe that the deposits represented "interest" on the corporate bonds they erroneously believed they owned.

28. In connection with the transactions alleged in Paragraphs 26 and 27, Saleh generated a sales commission on purchases and caused LG and JG to incur surrender penalties, as set forth on Schedule C, and to be subject to new periods of contingent deferred sales charges. In connection with the foregoing transactions, Saleh used false addresses, false phone numbers, and forged signatures on surrender forms, applications, delivery receipts, and disclosure forms. Saleh also failed to disclose to LG, JG, or to the firm with which she was associated that these transactions were annuity exchanges.

29. During the period from 2001 through 2007, Saleh caused certain documents related to annuity transactions to reflect false birth dates for LG and JG. As a result, Saleh received a higher commission on certain policies than she would have had she disclosed accurately LG's and JG's dates of birth.

30. During the period from approximately October 2001 through September 2007, Saleh caused a false address to be the address of record with the firm and insurance companies for the accounts of LG and JG. As a result, LG and JG never received statements reflecting their true holdings or brokerage account activity.

31. During the period from approximately June 2002 through September 2007, Saleh provided to LG and JG a monthly "Portfolio Statement" that Saleh prepared or caused to be prepared and that reflected false and inaccurate information regarding LG's and JG's investment portfolio. These statements were false and inaccurate in that they purported to reflect positions that LG and JG had once owned in bond funds and corporate bonds, but that Saleh had sold and reinvested in variable annuities, without LG's or JG's knowledge, authorization, or consent. The false Portfolio Statements also purported to reflect "interest" generated by the non-existent portfolio, which Saleh deposited quarterly into LG's and JG's bank account. Contrary to the information reflected on the Portfolio Statements, Saleh caused frequent unauthorized withdrawals from annuities, which included principal amounts from LG's and JG's investment portfolio, and deposited the withdrawal proceeds approximately quarterly. Saleh falsely represented to LG and JG that the deposits constituted interest earned on their principal.

32. During the period from approximately 2002 through 2007, Saleh provided false information to LG and JG, or to their accountant, on an Internal Revenue Service Form 1099 for certain annuity policies, knowing that the information would be relied upon and used by LG, JG and their accountant in the preparation of tax returns.

FIRST CAUSE OF ACTION
(Unsuitable Recommendations)
(Violation of NASD Conduct Rules 2310 and 2110)

33. The Department realleges and incorporates by reference paragraphs 1 through 32 above.

34. During the period from February 2002 through August 2004, Saleh recommended to Customer CAW, and effected the related transactions, of approximately 17 purchases and sales of variable annuities, as set forth in Schedule A to this Complaint and as more fully described in paragraphs 5 through 14, above.

35. During the period from March 2002 through August 2007, Saleh recommended to Customers LA and/or EA, and effected the related transactions, of approximately 24 purchases and sales of securities, as set forth in Schedules B1, B2, and B3 to this Complaint and as more fully described in paragraphs 15 through 21 above.

36. During the period from November 2001 through September 2007, Saleh recommended to Customers LG and JG, and effected the related transactions, of approximately 102 purchases and sales of securities, as set forth in Schedule C to this Complaint and as more fully described in paragraphs 22 through 32 above.

37. Saleh made the foregoing recommendations without having reasonable grounds for believing that the recommendations and resultant transactions were suitable for the customers on the basis of information known to her about their other security holdings and their financial situations and needs, including but not limited to undue concentration and risk of loss of principal.

38. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 2310 and 2110 by Saleh.

SECOND CAUSE OF ACTION
(Unsuitable Switching)
(Violation of NASD Conduct Rules 2310 and 2110)

39. The Department realleges and incorporates by reference paragraphs 1 through 38 above.

40. At various times during the period from in or about November 2001 through December 2007, Saleh recommended and caused customers CAW, LA and EA, and LG and JG to liquidate variable annuities in whole or in part and to purchase other variable annuities, as set forth on Schedules A, B1, B2, B3, and C to this Complaint, respectively, and as more fully described in paragraphs 5 through 32, above.

41. Saleh made the recommendations described in paragraph 40 above without having reasonable grounds for believing them to be suitable for, respectively, customers CAW, LA and EA, and LG and JG. As a result of the recommendations and the resulting transactions, the customers incurred surrender charges and decreased liquidity, but received no meaningful investment benefit.

42. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 2310 and 2110 by Saleh.

THIRD CAUSE OF ACTION
(Forgery)
(Violation of NASD Conduct Rule 2110)

43. The Department realleges and incorporates by reference paragraphs 1 through 42 above.

44. Without the knowledge, authorization or consent of customers LA, EA, LG, and JG, Saleh placed or caused to be placed false customer signatures of LA or EA on variable annuity documents requiring signature relating to Transaction Nos. 1, 2, 5, 7, 8, and 9 of Schedule B1; Transaction Nos. 5, 6, and 7 of Schedule B2; and Transaction No. 4 of Schedule B3 to this Complaint; and false customer signatures of LG or JG on all variable annuity documents requiring signature relating to all transactions on Schedule C to this Complaint, and as more fully described in paragraphs 16 and 18 and 26, 27, and 28, respectively, above.

45. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by Saleh.

FOURTH CAUSE OF ACTION
(Falsification)
(Violation of NASD Conduct Rule 2110)

46. The Department realleges and incorporates by reference paragraphs 1 through 45 above.

47. During the relevant period, Saleh placed or caused to be placed false and inaccurate information on documents related to annuity transactions, including but not limited to false addresses, false phone numbers, false birth dates and false customer signatures, and, further, omitted to disclose that the transactions were annuity exchanges. Saleh then submitted the forms to her employer-member and to insurance companies, knowing that they would rely upon the accuracy of the information stated thereon as to the customers and the transactions.

48. During the period in and around December 2002 through August 2004, in connection with CAW's account, Saleh placed or caused to be placed false addresses on documents including but not limited to those relating to Transaction Nos. 6, 11, 13, 14, 15, 16, and 17, as set forth in Schedule A to this Complaint.

49. During the period from approximately August 2002 through December 2006, in connection with LA's and EA's accounts, Saleh placed or caused to be placed false customer signatures on documents including but not limited to those relating to Transaction Nos. 1, 2, 5, 7, 8, and 9 of Schedule B1; Transaction Nos. 5, 6, and 7 of Schedule B2; and Transaction No. 4 of Schedule B3 to this Complaint.

50. During the period from approximately August 2002 through December 2006, in connection with LA's and EA's account, Saleh placed or caused to be placed false addresses on documents including but not limited to those relating to Transaction Nos. 2, 3, 6, and 8 of Schedule B1; Transaction Nos. 1, 5, 6, and 7 of Schedule B2; and Transaction Nos. 2 and 4 of Schedule B3 to this Complaint.

51. During the period from December 2005 through September 2007, Saleh provided or caused to be provided to LA and EA false portfolio statements and insurance account histories, purportedly generated and provided by insurance companies, that reflected false and inaccurate information regarding LA's and EA's investments in variable annuities. These statements and insurance documents were false and inaccurate in that they purported to reflect that LA and EA owned variable annuities that had been wholly or partially surrendered, thus creating the appearance that the purported value of LA's and EA's investment portfolio was greater than it actually was.

52. During the period from approximately January 2002 through September 2007, in connection with LG's and JG's account, Saleh placed or caused to be placed false customer signatures on documents requiring signatures, including but not limited to those relating to all Transactions of Schedule C to this Complaint.

53. During the period from approximately November 2002 through December 2006, in connection with LG's and JG's account, Saleh placed or caused to be placed false dates of birth on documents including but not limited to those relating to Transaction Nos. 1, 13, 14, 17, 20, 23, 27, 30, 32, 38, 40, 41, 44, 51, 58, 72, and 92, as set forth in Schedule C to this Complaint.

54. During the period from approximately October 2001 through September 2007, in connection with LG's and JG's account, Saleh placed or caused to be placed false addresses or false phone numbers on documents including but not limited to those relating to Transaction Nos. 1, 13, 14, 17, 20, 23, 27, 30, 32, 38, 40, 41, 44, 51, 58, 67, 72, and 92, set forth in Schedule C to this Complaint.

55. During the period from approximately June 2002 through September 2007, Saleh provided or caused to be provided to LG and JG false portfolio statements that purported to reflect securities positions that did not exist in LG's and JG's account. The false portfolio statements also falsely purported to reflect interest earned on principal.

56. During the period from approximately October 2001 through October 2006, Saleh failed to disclose to each of the customers or to the firm with which she was associated that certain annuity transactions constituted an exchange or switch between insurance products, as set forth as negative numbers in Schedules A, B1, B2, B3 and C to this Complaint.

57. During the period from approximately October 2001 through December 2007, as a result of the falsifications and failures to disclose described in paragraphs 47 through 56 above, Saleh caused the books and records of the firm with which she was associated to reflect inaccurate information regarding the customers' investments in variable annuities, including, but not limited, to false addresses, false phone numbers, false customer signatures, false birthdates,

false Form 1099s, false statements that the transactions did not constitute an annuity exchange, and inaccurate portfolio positions in variable annuities.

58. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by Saleh.

FIFTH CAUSE OF ACTION
(Unauthorized Transactions)
(Violation of NASD Conduct Rule 2110 and IM-2310-2)

59. The Department realleges and incorporates by reference paragraphs 1 through 58 above.

60. During the period from February 2002 through August 2004, Saleh effected approximately 17 purchases and sales of variable annuities in the account of customer CAW, as set forth in Schedule A to this Complaint, without the customer's knowledge, authorization or consent.

61. During the period from March 2002 through August 2007, Saleh effected approximately 24 purchases and sales of securities in the accounts of LA and EA, as set forth in Schedules B1, B2, and B3 to this Complaint, without the customers' knowledge, authorization or consent.

62. During the period from November 2001 through September 2007, Saleh effected approximately 102 purchases and sales of securities in the account of LG and JG, as set forth in Schedule C to this Complaint, without the customers' knowledge, authorization or consent.

63. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and IM-2310-2 by Saleh.

SIXTH CAUSE OF ACTION
In the Alternative
(Exercising Discretion Without Written Authorization)
(Violation of NASD Conduct Rules 2110 and 2510(b))

64. The Department realleges and incorporates by reference paragraphs 1 through 63, above.

65. In the alternative to paragraphs 60 and 63 above, during the period from February 2002 through August 2004, Saleh exercised discretion to effect approximately 17 purchases and sales of variable annuities in the account of customer CAW, as set forth in Schedule A to this Complaint, without receiving from CAW prior written authorization to exercise discretion and without the firm's written acceptance of the account as discretionary.

66. In the alternative to paragraphs 61 and 63 above, during the period from March 2002 through August 2007, Saleh effected approximately 24 purchases and sales of securities in the accounts of customers LA and EA, as set forth in Schedules B1, B2, and B3 to this Complaint, without receiving from either LA or EA prior written authorization to exercise discretion and without the firm's written acceptance of the accounts as discretionary.

67. In the alternative to paragraphs 62 and 63 above, during the period from November 2001 through September 2007, Saleh effected approximately 102 purchases and sales of securities in the account of customers LG and JG, as set forth in Schedule C to this Complaint, without receiving from LG or JG prior written authorization to exercise discretion and without the firm's written acceptance of the account as discretionary.

68. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2510(b) by Saleh.

SEVENTH CAUSE OF ACTION
(Impersonation of Customer)
(Violation of NASD Conduct Rule 2110)

69. The Department realleges and incorporates by reference paragraphs 1 through 68, above.

70. In connection with certain transactions in the accounts of LA and EA, Saleh falsely represented that she was customer LA in telephone conversations with representatives of an insurance company, including but not limited to conversations that occurred on or about September 3, 2003, and March 11, 2004.

71. The aforementioned acts, practices and conduct are inconsistent with high standards of commercial honor and just and equitable principles of trade and constitute separate and distinct violations of NASD Conduct Rule 2110 by Saleh.

EIGHTH CAUSE OF ACTION
(Fraud)
(Violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and NASD Conduct Rules 2120 and 2110)

72. The Department realleges and incorporates by reference paragraphs 1 through 71 above.

73. Saleh intentionally engaged in the conduct referenced in paragraphs 5 through 32 above, as a scheme and course of business to enhance her commissions without regard to the consequences to the customers or the firm with which she was associated. She failed to disclose to the customers or the firm that the transactions constituted annuity exchanges, that she was engaging in annuity exchanges in customer accounts, and that customers would incur surrender penalties and decreased liquidity. Saleh concealed the foregoing course of conduct from the customers and the firms by causing the transaction records to reflect inaccurate information regarding the customers' investments in variable annuities, including but not limited to false

addresses, false phone numbers, false customer signatures, false birthdates, false Form 1099s, false statements that the transactions did not constitute an annuity exchange, and inaccurate portfolio positions in variable annuities.

74. Saleh, by engaging in the conduct referenced in paragraphs 5 through 32 and 73 above, directly or indirectly, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange, with scienter: 1) employed devices, schemes or artifices to defraud; 2) made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or 3) engaged in acts, practices or courses of business which operated or would operate as a fraud or deceit upon any person.

75. The aforementioned acts, practices and conduct constitute separate and distinct violations of Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, and NASD Conduct Rules 2120 and 2110 by Saleh.

NINTH CAUSE OF ACTION
(Providing False Information)
(Violation of NASD Procedural Rule 8210 and Conduct Rule 2110)

76. The Department realleges and incorporates by reference paragraphs 1 through 75, above.

77. On or about May 14, 2008 and May 28, 2008, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210, FINRA issued to Saleh a request for information and appearance for on-the-record ("OTR") testimony in connection with FINRA's investigation of Saleh's conduct alleged above.

78. On or about May 27, 2008, Saleh appeared before FINRA staff for an OTR examination. Respondent's OTR testimony was taken under penalty of perjury and pursuant to and in accordance with NASD Procedural Rule 8210.

79. During the May 27, 2008 OTR, Saleh testified that she was not the speaker on the calls alleged in paragraph 19 above, when in fact she was the speaker.

80. On or about June 17, 2008, Saleh appeared before FINRA staff for an OTR examination. Respondent's OTR testimony was taken under penalty of perjury and pursuant to and in accordance with NASD Procedural Rule 8210.

81. During the June 17, 2008 OTR, Saleh testified that JG had requested and directed the creation of the portfolio statements, alleged in paragraph 31 above, when in fact Saleh created or caused the production of the false portfolio statements without request or direction from JG.

82. Respondent's statements of May 27, 2008 and June 17, 2008, were, at the time she made them, false and misleading.

83. At the time she made the statements described in paragraphs 79 and 81, above, Respondent knew or should have known that they were false and misleading.

84. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Procedural Rule 8210 and Conduct Rule 2110 by Saleh.

RELIEF REQUESTED

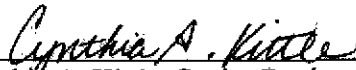
WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a) be imposed, including that Saleh be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest; and,

- B. order that Saleh bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: April 30, 2009


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SCHEDULE A

106-92	106-91
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SCHEDULE B-1

[illegible]

SCHEDULE B-2

Debble Saleh, Disciplinary Proceeding No. 20050021692

Customer - LA (Qualified)

#	Date	RR Commission	Surrender Penalty	Dec-00	Aug-01	Nov-03	Jun-04	Oct-04	Dec-05	Feb-06
				Direct Services First Golden American Life	RR D. Saleh transfers from UBS to First Union/Wachovia	JNL Perspective II	Nationwide Choice Venue II	RR D. Saleh transfers from Wachovia to Wedbush	JNL Perspective II	MetLife Investors USAA Series XC
1	12/07/00	5,792.11		96,535.25						
2	11/26/03	12,509.45				178,706.40				
3	12/16/03	(3,861.42)								
4	06/23/04	3,984.68								
5	06/23/04	(2,130.63)								
6	08/29/04	3,280.22								
7	02/27/06	18,385.41							245,138.73	292,026.63
8	08/30/07	20,441.86								
9	08/28/07						(7,060.46)			
10	08/28/07					(20,899.74)			(49,027.74)	
11	08/29/07		0.00							(88,494.22)
Total as of 12/31/07		84,403.73	(5,992.05)	0.00	-	191,802.16	52,129.62	-	230,610.99	268,794.98
Mo. 1-11		58,611.62	(5,982.05)							

SCHEDULE B3
Debbie Saleh, Disciplinary Proceeding No. 20060021692
Customer - EA (Qualified)

#	Date	RR Commission	Surrender Penalty	Nov-00	Aug-01	Nov-03	Jun-04
				ING Variable Annuity	RR D. Saleh transfers from UBS to First Union/ Wachovia	JNL Perspective II	Nationwide Choice Venue II
1	11/29/00	6,087.77	(3589.37)	101,128.50			
2	11/15/03			(43,283.42)			
3	11/29/03	5,276.95					
4	06/25/04	473.76	(678.32)				
5	01/01/06						
6	02/01/06						
7	03/01/06						
8	04/01/06						
9	05/01/06						
10	06/01/06						
11	06/01/06						
12	06/02/06						
13	07/01/06						
14	07/03/06						
15	08/01/06						
16	08/02/06						
17	09/01/06						
18	08/02/06						
19	10/02/06						
20	10/02/06						
21	11/01/06						
22	11/01/06						
23	12/01/06						
24	12/01/06						
25	01/01/07						
26	01/03/07						
27	02/01/07						
28	02/01/07						
29	03/01/07						
30	03/01/07						
31	04/01/07						
32	04/02/07						
33	05/01/07						
34	05/01/07						
35	06/01/07						
36	06/01/07						
37	07/01/07						
38	07/02/07						
39	08/01/07						
40	08/02/07						
41	09/01/07						
42	09/04/07						
43	10/01/07						
44	10/02/07						
45	11/01/07						
46	11/02/07						
47	12/01/07						
48	12/03/07						
49	01/01/08						
50	01/02/08						
51	02/01/08						
52	02/04/08						
53	03/01/08						
54	03/03/08						
Total as of 12/31/07		11,413.48	(4,318.23)				
No. 154		5,750.71	(4,318.25)	0.00		54,893.17	14,982.27

SCHEDULE C

Page 1 of 4

SCHEDULE C

[illegible]

