

NASD OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

TYJUAN D. JACKSON
(CRD No. 4224623),

Respondent.

Disciplinary Proceeding
No. 20050034808

Hearing Officer—Andrew H. Perkins

DEFAULT DECISION

September 29, 2006

Respondent is barred from associating with any NASD member firm in any capacity for: (1) filing a false Form U-4, in violation of NASD Conduct Rule 2110 and IM-1000-1; (2) failing to update his Form U-4 to disclose a felony conviction, in violation of NASD Conduct Rule 2110 and IM-1000-1; and (3) failing to respond to requests for information, in violation of NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

Appearances:

Dale A. Glanzman, Regional Counsel, Chicago, IL (Rory C. Flynn, Chief Litigation Counsel, Washington, D.C., Of Counsel) for the Department of Enforcement.

No appearance by or for Tyjuan D. Jackson.

DECISION

I. Introduction

On June 12, 2006, the Department of Enforcement ("Enforcement") filed the attached three-count Complaint against Tyjuan D. Jackson ("Jackson" or the "Respondent"). The Complaint alleges that the Respondent (1) failed to disclose material information on his Uniform Application for Securities Industry Registration or Transfer (Form U-4), in violation of NASD Conduct Rule 2110 and IM-1000-1; (2) failed to update his Form U-4 to reflect that he had been

convicted of a felony, in violation of NASD Conduct Rule 2110 and IM-1000-1; and (3) failed to respond to NASD Staff's requests for information, in violation of NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

Jackson did not answer or otherwise respond to the Complaint. Consequently, on September 7, 2006, Enforcement filed a Motion for Entry of Default Decision ("Motion"). The Declaration of Dale A. Glanzman and six exhibits support enforcement's Motion.¹ Jackson did not respond to the Motion. Thus, pursuant to NASD Procedural Rules 9215 and 9269, the Hearing Officer grants Enforcement's Motion.

II. Respondent's Default

Enforcement served Jackson with copies of the Complaint, Notice of Complaint, and Second Notice of Complaint in accordance with NASD Procedural Rules 9134(a)(2) and 9134(b)(1).

On June 8, 2006, Enforcement served the Complaint and Notice of Complaint on the Respondent by certified and first-class mail sent to his current residential address shown in the Central Registration Depository (the "CRD address").² On July 14, 2006, Enforcement served the Complaint and Second Notice of Complaint on the Respondent by certified and first-class mail sent to the Respondent at his CRD address.³ To date, Jackson has not filed a response.⁴

The Hearing Officer finds that Enforcement properly served Jackson and that he thereby received valid constructive notice of this proceeding. Accordingly, the Hearing Officer finds Jackson in default and deems the allegations in the attached Complaint admitted.⁵

¹ The declaration is referenced as "Glanzman Decl." followed by the applicable paragraph number.

² Glanzman Decl. ¶ 6; Ex. 2.

³ *Id.* ¶ 7.

⁴ *Id.* ¶ 8.

⁵ The following findings of fact incorporate the allegations in the attached Complaint.

III. Findings of Fact and Conclusions of Law

A. Jurisdiction

Article V, Section 4 of NASD's By-Laws provides that NASD may bring a disciplinary proceeding against, and may request information from, a formerly registered person for two years after his registration terminated. Here, Jackson was registered as an Investment Company and Variable Contracts Products Representative with Chase Investment Services Corp. ("Chase"), an NASD member firm, between July 7, 2005, and December 15, 2005.⁶ The Complaint Enforcement filed in June 2006 alleged misconduct that occurred while Jackson was associated with Chase, and NASD staff timely issued the written requests for information that underlie the third cause of action.

B. Filing a False Form U-4

The first cause of the Complaint alleges that, on or about June 20, 2005, Jackson omitted material information from the Form U-4 that he submitted to become registered with Chase. The Complaint alleges that he failed to disclose that he had filed a petition in the United States Bankruptcy Court for the Eastern District of Michigan. His bankruptcy case was still pending when he joined Chase.⁷ The Complaint further alleges that he failed to disclose that, on or about February 20, 2005, he had been charged with obtaining personal identity information without authorization, a felony in the State of Michigan.⁸ Jackson was obligated to disclose the foregoing information. Question 14K(1) on Form U-4 asks whether applicants have filed a bankruptcy petition within the past 10 years, and Question 14(A)(1)(b) asks whether applicants have ever been charged with a felony. Jackson answered "no" to both questions.⁹

Filing incomplete or inaccurate information that in any way could mislead NASD is conduct inconsistent with just and equitable principles of trade and violates NASD Conduct Rule

⁶ C 1 at 2. The Respondent is not currently registered or associated with an NASD member firm.

⁷ Compl. ¶ 2.

⁸ *Id.* ¶ 3.

⁹ *Id.* ¶¶ 5, 6.

2110 and IM-1000-1.¹⁰ Accordingly, the Hearing Officer finds that Jackson violated NASD Conduct Rule 2110 and IM-1000-1.

C. Failure to Amend a Form U-4

The second cause of the Complaint alleges that, on or about June 30, 2005, Jackson pled guilty to, and was convicted of, obtaining personal identity information without authorization, which is a felony.¹¹ Although Article V, Section 2 of the NASD's By-Laws requires associated persons to amend their applications for registration to reflect such felony convictions, Jackson did not do so. Accordingly, he violated NASD Conduct Rule 2110 and IM-1000-1.

D. Failure to Respond to Requests for Information

The third cause of the Complaint alleges that NASD Staff sent Jackson two written requests for documents and information in accordance with Procedural Rule 8210 to which he did not respond. NASD staff mailed both requests to the Respondent at his CRD address, the first on December 28, 2005, and the second on February 14, 2006.¹²

The Hearing Officer finds the foregoing allegations sufficient to establish that the Respondent violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110, as alleged in the third cause of the Complaint, by failing to provide information requested in connection with an NASD investigation.¹³

¹⁰ IM-1000-1 provides:

The filing with the Association of information with respect to membership or registration as a Registered Representative which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or the failure to correct such filing after notice thereof, may be deemed to be conduct inconsistent with just and equitable principles of trade and when discovered may be sufficient cause for appropriate disciplinary action.

¹¹ Compl. ¶ 9.

¹² *Id.* ¶¶ 12, 13.

¹³ See, e.g., *Department of Enforcement v. Valentino*, No. FPI010004, 2003 NASD Discip. LEXIS 15, at *12 (N.A.C. May 21, 2003), *aff'd*, 2004 SEC LEXIS 330 (Feb. 13, 2004).

IV. Sanctions

For filing a false, inaccurate, or misleading form or amendment, the NASD Sanction Guidelines recommend a fine of \$2,500 to \$50,000 and a suspension in any or all capacities for 5 to 30 business days.¹⁴ In egregious cases, such as those involving repeated filings of false, inaccurate, or misleading forms, or the failure to disclose a statutory disqualification event, the Sanction Guidelines recommend a suspension of up to two years or a bar.¹⁵

This is an egregious case. When Jackson applied for registration, he denied that he had ever been charged with a felony and that he had filed for bankruptcy within the previous ten years. Both representations were false. Moreover, he failed to amend his Form U-4 to disclose that just ten days after submitting the original Form U-4 he was convicted of personal identity theft. Jackson's felony conviction called into question his fitness to work in the securities industry, and there are no mitigating factors in the Complaint that would warrant a lesser sanction than a bar. Therefore, the Hearing Officer determines that a bar is the appropriate sanction for both his willful submission of the false and misleading Form U-4 and for his failure to amend his Form U-4 to disclose his conviction for identity theft.

With respect to the third cause of the Complaint, failing to respond in any manner to requests for information that NASD staff issued pursuant to NASD Procedural Rule 8210, the Sanction Guidelines recommend the imposition of a bar in the absence of mitigating circumstances.¹⁶ Here, the record discloses no mitigating factors. Accordingly, the Hearing Officer will bar the Respondent from associating with any member firm in any capacity for this violation.

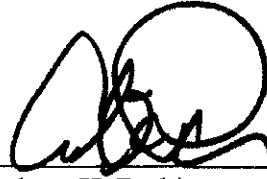
¹⁴ NASD Sanction Guidelines 73-74 (2006 ed.).

¹⁵ *Id.* at 74.

¹⁶ *Id.* at 35.

V. Order

Tyjuan D. Jackson is barred from association with any member firm in any capacity for each of the following violations: (1) filing a false Form U-4, in violation of NASD Conduct Rule 2110 and IM-1000-1; (2) failing to amend his Form U-4 to reflect his felony conviction, in violation of NASD Conduct Rule 2110 and IM-1000-1; and (3) failing to respond to requests for information issued by NASD staff under Procedural Rule 8210, in violation of NASD Procedural Rule 8210 and NASD Conduct Rule 2110. The bars shall become effective once this decision becomes the final disciplinary action of NASD.

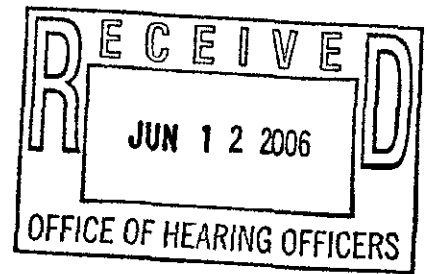
A handwritten signature in black ink, appearing to read 'Andrew H. Perkins', is written over a horizontal line.

Andrew H. Perkins
Hearing Officer

Copies to:

Tyjuan D. Jackson (by FedEx, overnight delivery, and first-class mail)
Dale A. Glanzman, Esq. (by first-class and electronic mail)
Rory C. Flynn, Esq. (by first-class and electronic mail)
Mark P. Dauer, Esq. (by first-class and electronic mail)

**NASD
OFFICE OF HEARING OFFICERS**



DEPARTMENT OF ENFORCEMENT,

Complainant

vs.

Tyjuan D. Jackson,
Registered Representative
(CRD No. 4224623)

Respondent

**Disciplinary Proceeding
No. 20050034808**

Hearing Officer

COMPLAINT

Upon information and belief, Complainant alleges as follows:

1. Between approximately July 7, 2005 and December 17, 2005, Tyjuan D. Jackson ("Respondent") was registered as an Investment Company/Variable Contracts Products Representative with Chase Investment Services Corp. ("Member"), a member of NASD. Respondent therefore is subject to the jurisdiction of the NASD, pursuant to Article V, Section 4 of the NASD's By-Laws.

**FIRST CAUSE FOR COMPLAINT
NASD Conduct Rule 2110 and IM 1000-1
Failure to Disclose Prior Criminal History on Form U-4**

2. On or about August 11, 2004, Respondent filed a voluntary petition for bankruptcy in the U.S. Bankruptcy Court for the Eastern District of Michigan. The bankruptcy action filed by Respondent was not closed until January 5, 2006.

3. On or about February 20, 2005, Respondent was charged with the offense of Obtaining Personal Identity Information Without Authorization, a felony in the State of Michigan.

4. On or about June 20, 2005, Respondent signed and submitted a Uniform Application for Securities Industry Registration or Transfer (Form U-4), an application to become associated with a self-regulatory organization, to become associated with the Member. The Form U-4 signed by Respondent provided, among other things, that Respondent agreed to submit to the authority of the NASD and to comply with all provisions of the NASD's by-laws and rules.

5. Although question 14(A)(1)(b) of the Form U-4 requested information as to whether Respondent had ever been charged with any felony, Respondent responded "no" to the question and therefore willfully failed to disclose the material fact that he had been charged with the felony offense of Obtaining Personal Identity Information.

6. Although question 14(K)(1) of the Form U-4 requested information as to whether Respondent had filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition, Respondent responded "no" to the question and therefore willfully failed to disclose the material fact that he had filed bankruptcy petition.

7. The acts, practices and conduct described above constitute separate and distinct violations of NASD Conduct Rule 2110 and IM 1000-1 by Respondent.

SECOND CAUSE FOR COMPLAINT
NASD Conduct Rule 2110 and IM 1000-1
NASD By-Laws Article V, Sec. 2
Failure to Amend Form U-4

8. Complainant realleges Paragraphs 3 and 4 above.

9. On or about June 30, 2005, Respondent pled guilty to, and was convicted of, the

felony offense of Obtaining Personal Identity Information Without Authorization.

10. Although required to do so pursuant to NASD By-Laws Article V, Sec. 2, Respondent, while registered with the Member, did not amend or cause to be amended his Form U-4 to reflect he had been convicted of the offense of Obtaining Personal Identity Information Without Authorization, a felony in the State of Michigan.

11. Respondent's failure to amend his Form U-4 as specified above was a violation of NASD By-Laws Article V, Sec. 2 and NASD Conduct Rules 2110 and IM 1000-1.

**THIRD CAUSE FOR COMPLAINT
NASD Conduct Rule 2110 and NASD Procedural Rule 8210
Failure to Respond to Requests for Information**

12. On or about December 28, 2005, NASD staff sent to Respondent a request that he provide certain documents and information, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That request for information was sent by first class mail and by certified mail, return receipt requested, to Respondent's last known address, which was also Respondent's address of record as contained in the records of the Central Registration Depository ("CRD address"). The first class mailing was not returned. The certified mailing was returned to NASD staff, marked, "Returned to Sender; Unclaimed."

13. On or about February 14, 2006, NASD staff sent to Respondent a request that he provide certain documents and information, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That request for information was sent by first class mail and by certified mail, return receipt requested, to Respondent's last known address, which was also Respondent's address of record as contained in the records of the Central Registration Depository ("CRD address"). The first class mailing was not returned. The certified mailing was returned to

NASD staff, marked, "Returned to Sender; Unclaimed; Unable to Forward; Forwarding Order Expired."

14. Respondent has failed to respond to the request for documents and information described in Paragraphs 12 and 13 above to date, and the date for responding to the request has passed.

15. The acts, practices and conduct described above constitute a violation of NASD Conduct Rule 2110 and Procedural Rule 8210 by Respondent.

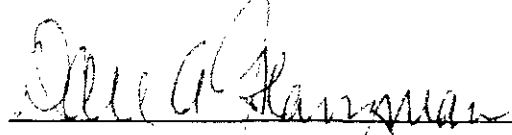
PRAYER FOR RELIEF

WHEREFORE, Complainant respectfully requests:

- A. Findings of fact and conclusions of law that Respondent committed the acts alleged herein, that Respondent's omissions on his initial Form U-4, as well as his failure to update his Form U-4, were material and willful;
- B. An order imposing sanctions upon Respondent 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 Procedural Rule 8330; and

D. An order imposing any other fitting sanction.

**NASD DEPARTMENT OF
ENFORCEMENT**



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Date: June 8, 2006

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