

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

RICHARD HORTON III (CRD No.2944981),

RESPONDENT.

**DISCIPLINARY PROCEEDING
No. 2005003570601**

HEARING OFFICER: AWH

**ORDER ACCEPTING
OFFER OF SETTLEMENT**

DATE: January 31, 2007

INTRODUCTION

Disciplinary Proceeding No. 2005003570601 was filed on or about September 28, 2006, by the Department of Enforcement of NASD ("Complainant"). Respondent Richard Horton III ("Horton") submitted an Offer of Settlement ("Offer") to Complainant on or about January 25, 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

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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

Respondent Richard Horton III became registered with NASD as a Limited Representative - Investment Company and Variable Contracts Products (Series 6) on or about September 20, 1997. From on or about November 8, 2002, through on or about November 22, 2005, Horton was registered with NASD and associated with Pruco Securities, LLC, an NASD member firm. On or about November 22, 2005, Pruco filed a Form U5 on behalf of Horton terminating his association with that firm as of that date. Horton is not currently registered with any NASD member firm, but is still within the jurisdiction of NASD pursuant to Article V, Section 4, of NASD's By-Laws. Jurisdiction over Horton expires on or about November 21, 2007, which is two years after he was last associated with an NASD member firm.

FINDINGS AND CONCLUSIONS

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

1. From Saturday, October 22, 2005, through Monday, October 24, 2005, Horton went on a personal trip to Las Vegas, Nevada.
2. In connection with his trip to Las Vegas, Horton incurred the following personal expenses:

10/23/05	Meal in Las Vegas	\$27.75
10/23/05	Meal in Las Vegas	\$7.21
10/24/05	Meal in Las Vegas	\$37.74
10/24/05	Parking at Newark Airport	\$25.00

3. On October 24, 2005, after returning to New Jersey from Las Vegas, Horton left Newark Liberty Airport and drove approximately 48 miles to Long Island, New York where he remained for the next several days for business purposes.
4. On or about October 28, 2005, Horton returned home from his personal and business travels and prepared and submitted to his employing member firm several electronic expense reimbursement requests.
5. Through his expense reimbursement requests, Horton improperly attempted to have his firm reimburse him for his personal expenses detailed in paragraph 2 above.
6. The name and location for two of the restaurants that Horton had dined in while in Las Vegas have been deleted on the receipts submitted to the firm.
7. Additionally, on or about October 28, 2005, Horton submitted an electronic expense reimbursement request seeking reimbursement of \$57.71, representing a fictitious drive of 119 miles from his home in Camden, New Jersey to Long Island on October 23, 2005. Horton, however, was still in Las Vegas on that date.
8. Furthermore, on or about October 28, 2005, Horton submitted an electronic expense reimbursement request for a meal that he had by himself on October 19, 2005 at the Wasabi House in East Brunswick, New Jersey. Horton paid for this meal using his corporate credit card. The receipt that Horton submitted for this meal reflected that it cost \$76. The firm's meal expense guidelines, however, provided for a \$40 maximum per person. On his expense reimbursement request, Horton falsely represented that he had dined with another person, discussed "Life Prospecting Methods and Product Enhancements" with that individual and that the meal cost \$38 per person.

By reason of the foregoing, Horton violated NASD Conduct Rule 2110.

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 Horton 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

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

David B. Klafter, Deputy Regional Chief
Counsel