

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

RECEIVED
2008 APR 21 P 12:10
REGISTRATION & DISCLOSURE

Department of Enforcement,

Complainant,

v.

**Scott P. Hailperin (a/k/a Scott P.
Halperin) (CRD No. 1421253),**

Respondent.

**DISCIPLINARY PROCEEDING
No. 2006005161001**

HEARING OFFICER – SW

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

DATE: APRIL 21, 2008

INTRODUCTION

Disciplinary Proceeding No. 2006005161001 was filed on November 27, 2007 by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA" or "Complainant"). Respondent Scott P. Hailperin ("Hailperin" or "Respondent") submitted an Offer of Settlement ("Offer") to Complainant on April 16, 2008. Pursuant to NASD Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order is now issued pursuant to NASD 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 FINRA, or to which FINRA is a party, to the entry of

000129112 2008

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 FINRA.

BACKGROUND

Hailperin became registered with FINRA as a Limited Representative - Investment Company and Variable Contracts Products (Series 6) on approximately October 15, 1985. From approximately February 19, 1987 through February 25, 2002, Hailperin was associated with FINRA member firm Investacorp, Inc. ("Investacorp"). From approximately March 31, 2002 through October 13, 2004, Hailperin was associated with FINRA member firm Allen Douglas Securities, Inc. On January 10, 2005, FINRA member firm Merrimac Corporate Securities, Inc. ("Merrimac") filed a Form U4 on behalf of Hailperin commencing his association with the firm. On April 27, 2006, Merrimac filed a Form U5 on behalf of Hailperin terminating his association with the firm as of that date. Hailperin is not currently associated with any FINRA member firm, but he is still within the jurisdiction of FINRA pursuant to Article V, Section 4 of FINRA's By-Laws in that the Complaint was filed on November 27, 2007, which is within two years of when he was last associated with a FINRA member firm.

FINDINGS AND CONCLUSIONS

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

CAUSE OF ACTION

Conversion/Misuse of Customer Funds (NASD Conduct Rules 2330(a) and 2110 and IM-2310-2)

1. Late in the afternoon of April 14 or 15, 2005, Hailperin was driving by and stopped in a diner owned by AM, a customer of Merrimac.
2. AM provided Hailperin with a "stack of cash" totaling \$7,000 and instructions to deposit the money into three IRAs with American Funds held through Merrimac for 2004 IRA contributions.
3. Hailperin was not the broker of record for the three IRAs at issue, which were IRAs for the benefit of AM and two of AM's family members.
4. Hailperin had two blank checks in his wallet from his wife's and mother-in-law's joint checking account that were signed by his wife. Hailperin wrote the two checks to "Capital Bank & Trust" in the amounts of \$4,000 and \$3,000, each dated April 14, 2005, with notations that the checks were for 2004 IRA contributions to three IRAs for the benefit of AM and two of AM's family members.
5. American Funds received the checks, but it canceled the 2004 IRA contributions due to insufficient funds.
6. Hailperin knew or should have known that there were insufficient funds in his wife's checking account for the checks to clear.

7. Hailperin was aware of the fact that the 2004 IRA contributions were not made to the three IRAs.

8. Hailperin did not deposit the \$7,000 provided to him by AM into Hailperin's wife's and mother-in-law's joint checking account or the IRAs for the benefit of AM and two of AM's family members.

9. Rather, in contravention of AM's express instructions to deposit his \$7,000 into the three IRAs, Hailperin intentionally used some of those customer funds for personal expenses, including payment of his wife's medical bills.

10. Approximately one year after AM gave the \$7,000 to Hailperin, AM contacted Merrimac to resolve the matter. Merrimac deposited \$7,000 into the three customer IRAs to correct the IRA contributions for 2004 and withheld \$7,000 in commissions owed to Hailperin.

Based on the foregoing, Hailperin violated NASD Conduct Rules 2330(a) and 2110 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 FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be barred from association with any FINRA member in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

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



Michael A. Gross
Principal Regional Counsel
FINRA Department of Enforcement
Crystal Corporate Center
2500 N. Military Trail, Suite 302
Boca Raton, FL 33431-6324
561-443-8125; 561-443-7998 (fax)
michael.gross@finra.org