

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT, COMPLAINANT, v. CHRISTOPHER D. SOLOMON CRD No. 4470012 RESPONDENT.	DISCIPLINARY PROCEEDING No. 2006005220901 Hearing Officer:
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COMPLAINT

The Department of Enforcement alleges:

1. Respondent Christopher D. Solomon entered the securities industry in October 2001 with an NASD member, and became registered as a general securities representative in December 2001. He was most recently registered as a general securities representative with NASD member Investors Capital Corp. (ICC). His employment end date with ICC was January 20, 2006, and his registration was terminated on that date. Solomon currently is not registered with an NASD member and has no NASD disciplinary history. NASD retains jurisdiction over Solomon pursuant to Article V, Section 4 of the NASD By-laws.

**FIRST CAUSE OF ACTION
Outside Business Activity
NASD Conduct Rules 2110 and 2030**

2. On or about September 10, 2004, Respondent Solomon registered Investors Capital Associates, LLC ("ICA"), as a limited liability company in Florida. According to its Articles

of Organization, the stated purpose of the company was to “transact all lawful activities and businesses that may be conducted by a limited liability company under the laws of Florida.”

ICA’s registered address is the same as Respondent Solomon’s residential CRD address.

3. In or about January 2005, Respondent Solomon solicited AW to invest \$49,000 in ICA. Solomon told AW that he would receive 12% annual interest payable in monthly checks of \$480. AW agreed, and gave Respondent Solomon a personal check for \$49,000 made out to ICA. Solomon deposited the check into ICA’s bank account. Solomon made thirteen monthly interest payments to AW of \$480 each. Thereafter, the interest payments stopped. Solomon never returned AW’s \$49,000.
4. Respondent Solomon’s actions in forming and raising funds for ICA were outside the scope of his employment relationship with ICC, and constitute an outside business activity.
5. Respondent Solomon did not provide any written notice to ICC of his formation and association with ICA, or that he was raising funds for ICA.
6. Respondent Solomon’s failure to provide written notice to ICC as described above constitutes separate and distinct violations of NASD Conduct Rules 2110 and 3030 by Respondent Solomon.

SECOND CAUSE OF ACTION
Conversion/Misrepresentation
NASD Conduct Rule 2110

7. On or about December 4, 2004, Respondent Solomon solicited AG to invest \$8,000 in McFarlan Real Estate Investment Services, whose products had been approved by ICC to offer to ICC customers. AG gave Solomon a check for \$8,000 made payable to Investors

Capital Associates (“ICA”). AG did not have an account with ICC at the time of the solicitation.

8. Respondent Solomon deposited AG’s check into ICA’s bank account, never transmitted the funds to either McFarlan or to ICC for investment, and never opened an account at ICC for AG.
9. By about June 2005, AG became concerned because he had not received any documentation relating to his investment in McFarlan. AG questioned Respondent Solomon, and in response Solomon sent AG a purported McFarlan account statement showing that AG had invested \$8,000 in a six to twelve month mortgage note with a 12% annual interest rate. In fact, the account statement was not an actual McFarlan account statement, but rather a false statement created by Solomon to convince AG that the investment had been made when in fact there was no such investment.
10. The deposit of AG’s funds into ICA’s bank account by Respondent Solomon and the subsequent failure by Solomon to transmit the funds from ICA’s bank account for investment in McFarlan constitutes a conversion of AG’s funds by Solomon, in violation of NASD Conduct Rule 2110.
11. Respondent Solomon’s actions in providing AG with a false account statement in order to convince AG that the McFarlan investment had been made constitutes a material misrepresentation by Respondent Solomon, in violation of NASD Conduct Rule 2110.

THIRD CAUSE OF ACTION

Failure to Respond to Information Requests

NASD Conduct Rule 2110; NASD Procedural Rule 8210

12. By letter dated June 5, 2006, sent via first class mail to Respondent Solomon's CRD residential address [REDACTED] the staff requested that Solomon provide, pursuant to Rule 8210, a written signed statement by June 19, 2006, in response to specific questions related to the subject matter of the First and Second Causes of Complaint. The mailing was returned by the U.S. Postal Service, marked "return to sender, unable to forward".
13. By letter dated June 20, 2006, sent via certified and first class mail to Respondent Solomon's CRD residential address, the staff again requested Solomon to provide a written statement concerning the foregoing matters, this time by July 5, 2006. Both the first class mailing and the certified mailing were returned by the Postal Service, marked "return to sender, unable to forward".
14. The staff attempted to locate a more recent address for Respondent Solomon by means of an Internet search, but was unsuccessful.
15. To date, Respondent Solomon has not responded to the staff's Rule 8210 information requests.
16. Respondent Solomon's failure to respond to the staff's Rule 8210 information requests constitutes separate and distinct violations of NASD Conduct Rule 2110 and Procedural Rule 8210 by Solomon.

PRAYER

WHEREFORE, the Department respectfully requests that the Panel:

- A. Findings of fact and conclusions of law that the Respondent committed the violations charged and alleged herein.
- B. order that one or more of the sanctions provided under NASD Rule 8310(a), including monetary sanctions, be imposed.
- C. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330.

November 22, 2006

NASD Department of Enforcement


Gene E. Carasick, Regional Counsel
NASD Department of Enforcement
One Securities Centre, Suite 500
3490 Piedmont Road, N.E.
Atlanta, GA 30305
404-239-6125; (202) 721-6536 (fax)

Andrew A. Favret, Reg'l Chief Counsel
NASD Department of Enforcement
1100 Poydras Street
Energy Centre, Suite 850
New Orleans, LA 70163
(504) 412-2402; (202) 721-6527 (fax)

NASD DISTRICT DIRECTOR

Daniel J. Stefek
NASD, District 7
3490 Piedmont Road, N.E.
Suite 500
Atlanta, GA 30305
(404) 239-6125

OF COUNSEL

Rory C. Flynn, Of Counsel
NASD Department of Enforcement
1801 K Street, N.W., Suite 800
Washington, D.C. 20006
(202) 974-2874; (202) 721-8318 (fax)

Mark P. Dauer, Of Counsel

NASD Department of Enforcement
1100 Poydras Street
Energy Centre, Suite 850
New Orleans, LA 70163
(504) 412-2405