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REGISTRATION & DISCLOSURE

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

V.

Kaleen A. Cooper (CRD No. 4471537),

Respondent.

DISCIPLINARY PROCEEDING
No. 2007008636401

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From about August 25, 2005 to about November 28, 2006, Kaleen A. Cooper converted a total of approximately \$12,017 from four customers by forging their signatures on forms to cause unauthorized redemptions or withdrawals from the customers' mutual fund or variable life insurance accounts and then subsequently transferring the funds to Cooper's bank account. After the customers' funds were deposited into Cooper's bank account, he used them for his own purposes without their authorization or consent. This conduct violated NASD Conduct Rules 2330(a) and 2110 and IM-2310-2.
2. On November 21, 2007 and December 4, 2007, FINRA staff sent Cooper letters requiring him to appear and testify at on-the-record interviews (OTRs) scheduled

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for December 4 and December 11, 2007, respectively, in the Philadelphia District Office. The letters were sent to Cooper pursuant to NASD Procedural Rule 8210 and were properly served. Cooper, however, did not appear at the OTRs. This conduct violated NASD Procedural Rule 8210 and Conduct Rule 2110.

RESPONDENT AND JURISDICTION

3. In November 2001, Cooper first became registered with FINRA an Investment Company and Variable Contracts Products Representative through a member firm. From December 2001 to April 5, 2007, Cooper was registered in that capacity through member firm Woodbury Financial Services, LLC (Woodbury). Cooper is not currently associated with a member firm.
4. Cooper remains subject to FINRA's jurisdiction pursuant to Article V, Section 4, of the FINRA By-Laws, in that: the conduct that is the subject of the First Cause of Action occurred while he was associated with Woodbury; and, this complaint was filed within, and the violations of NASD Procedural Rule 8210 alleged in the Second Cause of Action occurred within, two years of Cooper's last association with a member firm.

First CAUSE OF ACTION Forgery and Conversion of Customer Funds (NASD Conduct Rules 2330(a) and 2110 and IM-2310-2)

5. The Department realleges and incorporates by reference paragraphs 1 through 4 above.
6. On or about August 25, 2005, Cooper forged customer's CH's signature on a form to cause an unauthorized redemption and subsequent transfer of \$500 from CH's

mutual fund account at Hartford Financial Services Group, Inc. (Hartford) to Cooper's personal bank account. After the funds were deposited into his bank account, Cooper used them for his own purposes without CH's authorization or consent.

7. On or about November 3, 2005, Cooper forged customer's RV's signature on a form to cause an unauthorized withdrawal and subsequent transfer of \$6,000 from RV's variable life insurance account at Hartford to Cooper's personal bank account. On or about January 6, 2006, Cooper forged RV's signature on a form to cause an unauthorized withdrawal and subsequent transfer of \$1,182.71 from RV's variable life insurance account at Hartford to Cooper's personal bank account. After RV's funds were deposited into his bank account, Cooper used them for his own purposes without RV's authorization or consent.
8. On or about February 3, 2006, Cooper forged customer's MN's signature on a form to cause an unauthorized withdrawal and subsequent transfer of \$1,200 from MN's variable life insurance account at Hartford to Cooper's personal bank account. On or about November 3, 2006, Cooper forged MN's signature on a form to cause an unauthorized withdrawal and subsequent transfer of \$1,000 from MN's variable life insurance account at Hartford to Cooper's personal bank account. After MN's funds were deposited into his bank account, Cooper used them for his own purposes without MN's authorization or consent.
9. On or about November 28, 2006, Cooper forged customer's YG's signature on a form to cause an unauthorized redemption and subsequent transfer of \$2,134.80

from YG's mutual fund account at Hartford to Cooper's personal bank account.

After YG's funds were deposited into his bank account, Cooper used them for his own purposes without YG's authorization or consent.

10. By misappropriating customer funds, Cooper violated NASD Conduct Rules 2330(a) and 2110 and IM-2310-2.

SECOND CAUSE OF ACTION

Cooper's Failure to Appear and Testify at OTRs (NASD Procedural Rule 8210 and Conduct Rule 2110)

11. The Department realleges and incorporates by reference paragraphs 1 through 10 above.
12. On or about November 21, 2007 and pursuant to NASD Procedural Rule 8210, FINRA staff sent a letter to Cooper requiring him to appear and testify at an OTR scheduled for December 4, 2007 in the Philadelphia District Office. The OTR was requested as part of the staff's investigation into allegations that Cooper had converted customer funds. The November 21 letter warned Cooper that if he did not appear at the OTR he would be subject to disciplinary action. The letter was sent by certified and first class mail to the current residential address for Cooper in the Central Registration Depository (CRD address). The certified letter was returned by the Postal Service to the Philadelphia District Office and was marked as "Undeliverable." The first class letter was returned and was marked "Return to Sender, Not Deliverable as Addressed, Unable to Forward."

13. On November 28, 2007, FINRA staff called Cooper to confirm his appearance at the December 4 OTR and left a message on his voice mail. Cooper did not return the call. In addition, on that same day, FINRA staff called an attorney who was believed to be representing Cooper in a related criminal matter to confirm Cooper's appearance for the December 4 OTR. The attorney never returned the call. Cooper did not appear at the OTR on December 4, 2007.
14. On or about December 4, 2007 and pursuant to NASD Procedural Rule 8210, FINRA staff sent Cooper a second letter requiring him to appear and testify at an OTR scheduled for December 11, 2007 in the Philadelphia District Office. The letter warned Cooper that if he did not appear at the OTR he would be subject to disciplinary action. The letter was sent by certified and first class mail to Cooper's CRD address and to an address at which Cooper was believed to be living, [REDACTED] (Falls Church address). The certified letter sent to the CRD address was returned and was marked "Attempted - Not Known"; the first class letter was not returned. The certified letter sent to the Falls Church address was returned and was marked "Unclaimed"; the first class letter was not returned.
15. On December 4, 2007, FINRA staff called Cooper to confirm his appearance at the December 11 OTR and left a message on his voice mail. Cooper did not return the call. In addition, on that same day, FINRA staff called Cooper's criminal attorney to confirm Cooper's appearance. Cooper's criminal attorney returned the call and told the staff that he was not representing Cooper in this

matter, but would tell him about the December 11 OTR. Cooper never returned the call or appeared for the December 11 OTR.

16. FINRA staff is not aware of a more current residential address or of a business address for Cooper.
17. By failing to appear for the OTRs, Cooper violated NASD Procedural Rule 8210 and Conduct Rule 2110.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under NASD Rule 8310(a), including monetary sanctions, be imposed; and
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: June 23, 2008



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