

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

V.

MICHAEL SLUSHER (CRD No. 5175006),

RESPONDENT.

DISCIPLINARY PROCEEDING
No. 2007009836601

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Michael Slusher misappropriated \$4,000 from the account of a bank customer. Slusher also failed to respond to two written requests for information issued by FINRA staff. This conduct violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

RESPONDENT AND JURISDICTION

2. On July 17, 2006, Slusher first became registered with FINRA as an Investment Company and Variable Contracts Product Representative. From April 16, 2007 to July 3, 2007, Slusher was registered in that capacity with Chase Investment Services Corp. (Chase Investment), a FINRA member firm. While registered with Chase Investment, Slusher was also employed as a Personal Banker with JP Morgan Chase Bank (Chase Bank), the bank affiliate of Chase Investment.

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3. On July 25, 2007, Chase Investment filed a Form U5 reflecting that it had terminated Slusher on July 3, 2007 for the misconduct alleged in the First Cause of Action. Slusher is not presently associated with a member firm, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4, of the FINRA By-Laws in that: the misconduct alleged in the First Cause of Action occurred while he was associated with a member firm; 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 his last association with a member firm.

FIRST CAUSE OF ACTION
Conversion of Funds (NASD Conduct Rule 2110)

4. The Department realleges and incorporates by reference paragraphs 1-3 above.
5. In or about April 2007, Slusher learned that Chase Bank customer S.P. was closing an account with a balance of approximately \$6,000.
6. On June 15, 2007, Slusher transferred \$4,000 from Chase Bank customer S.P.'s account, without the customer's authorization or consent, to a Chase Bank account that he had opened in the name of "Carmencita Cases," a fictitious customer.
7. On June 20, 2007, Slusher withdrew \$300 from the "Carmencita Cases" account and converted the proceeds for his own use and benefit.
8. By misappropriating funds from a bank customer, Slusher violated NASD Conduct Rule 2110.

SECOND CAUSE OF ACTION
Failure to Respond (NASD Procedural Rule 8210 and NASD Conduct Rule 2110)

9. The Department realleges and incorporates by reference paragraphs 1-8 above.
10. On September 5, 2007, FINRA staff, pursuant to NASD Procedural Rule 8210, sent a letter to Slusher at his last known residential address reflected in the Central Registration Depository, [REDACTED] (CRD Address), requesting that he provide information regarding the misappropriation of funds. The letter was sent via first-class and certified mail and requested that Slusher respond by September 19, 2007. The certified envelope for this mailing was returned to FINRA staff on October 1, 2007, as "UNCLAIMED, UNABLE TO FORWARD." The first-class envelope was not returned.
11. Slusher failed to respond to this written request for information.
12. On October 2, 2007, FINRA staff, pursuant to Procedural Rule 8210, sent a second letter to Slusher at his CRD address requesting that he provide information regarding the conversion of funds. The letter was sent via first class and certified mail to Slusher's CRD address. This letter, which requested a response by October 16, 2007, warned Slusher that failure to respond may result in disciplinary action. On October 9, 2007, FINRA staff received the return receipt for the certified mailing bearing Slusher's signature. The first-class mailing envelope was not returned.
13. Slusher failed to respond to FINRA staff's requests for information.

14. FINRA staff is not aware of a more current residential address or business address for Slusher.
15. By failing to respond to the staff's written requests for information, Slusher violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

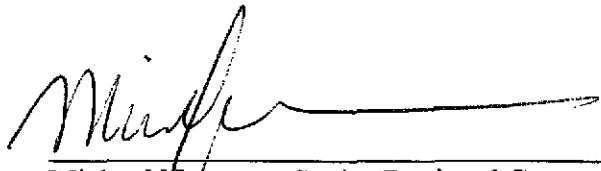
RELIEF REQUESTED

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

Dated: August 27, 2008



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