

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant

v.

GERMAINE P. PRINGLE
(CRD No. 4072717),

Respondent.

Disciplinary Proceeding
No. 2007010233201

Hearing Officer – Rochelle S. Hall

DEFAULT DECISION

May 21, 2009

**Respondent is barred for misuse of customer funds, in violation of
Conduct Rule 2110.**

Appearances

David F. Newman, Senior Regional Counsel; John M. D'Amico, Regional
Chief Counsel, Philadelphia, PA, for the FINRA Department of
Enforcement.

No appearance by or for Germaine P. Pringle.

DECISION

I. Introduction

The Department of Enforcement (“Enforcement”) charged Germaine P. Pringle
 (“Pringle” or the “Respondent”) with misusing customer funds, in violation of NASD
 Conduct Rule 2110.¹

Enforcement filed the Complaint (attached to this Decision as Exhibit A) with the
 Office of Hearing Officers on December 29, 2008. Pringle did not answer or otherwise

¹ The FINRA Rules, which include NASD Procedural and Conduct Rules, are at www.finra.org/Rules.

respond to the Complaint. Consequently, on March 26, 2009, Enforcement filed a Motion for Entry of Default Decision, supported by the Declaration of David F. Newman ("Newman Decl.") and three exhibits. Pringle did not reply to the motion.

II. Findings of Fact and Conclusions of Law

A. Jurisdiction

Pringle first became registered with a FINRA member firm as an Investment Company and Variable Contracts Products Representative in May 2000. From November 9, 2005 to July 26, 2007, Pringle was registered in that same capacity through member firm PNC Investments ("PNC"). Pringle was a dual employee of PNC and its affiliated bank.²

Pringle's registration with FINRA was terminated effective July 26, 2007, and she has not been registered or associated with a FINRA member firm since that date.³ Nonetheless, she remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's Bylaws, because (1) the Complaint was filed within two years following the termination of her registration with FINRA and (2) the Complaint charges her with misconduct committed while she was associated with a FINRA member firm.⁴

² CX-1; Newman Decl., ¶ 2; Complaint, ¶2.

³ CX-1.

⁴ See Article V, Sec. 4(a), FINRA By-Laws, *available at* www.finra.org/Rules (then follow "NASD Manual" hyperlink to "Corporate Organization: Bylaws").

B. Respondent's Default

The Hearing Officer finds that Enforcement properly served the Respondent with the Complaint by mailing the Complaint and the First and Second Notices of Complaint to her most current residential address as shown in the Central Registration Depository (the "CRD Address"). Enforcement mailed the First Complaint and Notice of Complaint by certified mail on December 22, 2008. The mailing was returned to Enforcement marked "Unclaimed."⁵

Enforcement served the Second Notice of Complaint on Pringle by certified mail on January 21, 2009. This mailing was also returned to Enforcement marked, "Unclaimed." To date, Pringle has not filed an Answer with the Office of Hearing Officers or otherwise responded to the Complaint.⁶

Pringle defaulted by failing to answer the Complaint.⁷ Accordingly, pursuant to Procedural Rules 9215(f) and 9269(a)(2), the Hearing Officer deems the allegations in the Complaint admitted and grants Enforcement's motion for entry of a default decision.

C. Origin of Underlying Investigation

FINRA commenced the investigation that led to the Complaint in this proceeding in August 2007, following FINRA's receipt of the Form U5 filed by PNC. PNC reported that PNC's affiliate bank had discharged Pringle on July 26, 2007, for "violation of check

⁵ Newman Decl., ¶6; Complainant's Exhibit ("CX")-2.

⁶ Newman Decl., ¶¶ 7-8; CX-3.

⁷ *Department of Enforcement v. Reynolds Verdiner*, No. CAF020004, 2003 NASD Discip. LEXIS 42, at *5 (N.A.C. Dec. 9, 2003) (NASD Procedural Rule 9134(b)(1) allows for constructive notice by mailing a complaint to the respondent's most recent CRD address) (quoting *Lubeck v. SEC*, 1998 U.S. App. LEXIS 18849, at *20 (9th Cir. Aug. 12, 1998)).

verification procedures and dishonesty.” FINRA staff investigated Pringle’s conduct to determine if she had violated NASD Conduct Rules.⁸

D. Misuse of Funds

The Complaint alleges that in or about July 2007, Pringle issued twelve checks on the accounts of four customers of her employer bank without the authorization or consent of the account holders. Five of the checks were later made payable to third parties in the total amount of \$29,800. The account holders’ signatures were forged on the checks, which were deposited into the accounts of third parties.

The Hearing Officer finds that the allegations in the Complaint and the additional evidence submitted by Enforcement show that Pringle violated Conduct Rule 2110 by issuing twelve checks on four customer accounts without the authorization or consent of the customers.

III. Sanctions

The FINRA Sanction Guidelines for improper use of customer funds recommend a fine of \$2,500 to \$50,000 and consideration of a bar.⁹ Where the improper use resulted from the respondent’s misunderstanding of his customer’s intended use of the funds or other mitigating factors exist, the Sanction Guidelines recommend consideration of a suspension of six months to two years. Here, there is no evidence of any mitigating factors that would warrant a sanction of less than a bar. Accordingly, the Hearing Officer

⁸ Newman Decl., ¶9; CX-1.

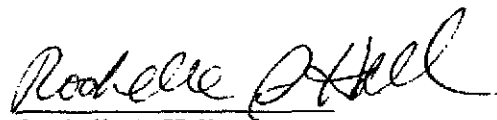
⁹ FINRA Sanction Guidelines 38 (2007), available at <http://www.finra.org/RegulatoryEnforcement/index.htm> (then follow “FINRA Sanction Guidelines” hyperlink).

finds that a bar is the appropriate sanction. Restitution is not ordered because the bank customers did not suffer a loss.¹⁰ In light of the bar, no fine is ordered.

IV. Order

Germaine P. Pringle is barred from association with any member firm in any capacity for misuse of customers' funds, in violation of NASD Conduct Rule 2110. The bar will become effective immediately if this Default Decision becomes FINRA's final disciplinary action in this proceeding.

SO ORDERED.

A handwritten signature in black ink, appearing to read "Rochelle S. Hall", is written over a horizontal line.

Rochelle S. Hall
Hearing Officer

Copies to: Germaine P. Pringle (*via overnight courier and first-class mail*)
David F. Newman, Esq. (*via electronic and first-class mail*)
David R. Sonnenberg, Esq. (*via electronic mail*)
Mark P. Dauer, Esq. (*via electronic mail*)

¹⁰ Motion for Entry of Default Decision at pg. 3.

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Germaine P. Pringle (CRD No. 4072717);

Respondent.

DISCIPLINARY PROCEEDING
No. 20070102332

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In about July 2007, Germaine P. Pringle issued convenience checks for four bank accounts without the authorization or consent of the account holders. The account holders' signatures were later forged on the checks, which were made payable to third parties. The checks, in the total amount of \$29,800, were subsequently deposited by the third parties. This conduct violated NASD Conduct Rule 2110.

RESPONDENT AND JURISDICTION

2. In November 1999, Pringle first became registered with FINRA (f/k/a National Association of Securities Dealers or NASD) as an Investment Company and Variable Contracts Products Representative through a member firm. From November 2005 to July 26, 2007, Pringle was registered in that same capacity

through member firm PNC Investments (PNC). Pringle was a dual employee of PNC and an affiliated bank. Pringle is not currently associated with a member firm.

3. Pringle remains subject to FINRA's jurisdiction pursuant to Article V, Section 4, of the FINRA By-Laws in that the misconduct alleged in the Cause of Action occurred while she was associated with a member firm and this Complaint was filed within two years of her last association with a member firm.

CAUSE OF ACTION

Issuing Customer Convenience Checks Without Authorization (NASD Conduct Rule 2110)

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. On about July 10, 2007, Pringle issued six convenience checks for the accounts of four customers of her employer bank, three for the account of LG and SG and three for the account of LM and SM, without the authorization or consent of those customers.
6. Unbeknownst to the account holders, LG's and LM's signatures were later forged on three of the checks, which were made payable to third parties. The three checks, totaling \$17,200, were subsequently deposited by the third parties.
7. On about July 10, 2007, Pringle issued three convenience checks for the account of JA, another customer her employer bank, without his authorization or consent.

8. On about July 16, 2007, Pringle issued three convenience checks for the business account of C&S, another customer of her employer bank, without its authorization or consent.
9. Unbeknownst to PC, the signatory for the account of C&S, his signature was later forged on two of the checks, which were made payable to third parties. The two checks, totaling \$12,600, were subsequently deposited by the third parties.
10. By issuing convenience checks for customers' bank accounts without their authorization or consent, Pringle violated NASD Conduct Rule 2110.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

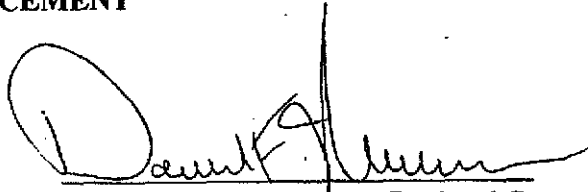
- A. order that one or more of the sanctions provided under NASD Rule 8310(a), including monetary sanctions, be imposed; and
- B. order that the Respondent bear such costs of proceeding as are deemed fair

and appropriate under the circumstances in accordance with NASD Rule

8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: December 22, 2008

A handwritten signature in black ink, appearing to read "David F. Newman", is written over a horizontal line.

David F. Newman, Senior Regional Counsel
John M. D'Amico, Regional Chief Counsel
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