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REGISTRATION & DISCLOSURE

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

V.

MAX MOREHOUSE (CRD No. 5289368)

Respondent.

DISCIPLINARY PROCEEDING
No. 2007010607601

COMPLAINT

The Department of Enforcement alleges:

Jurisdiction

1. On February 16, 2007, Respondent Max Morehouse became registered through FINRA member firm Chase Investment Services Corp. (CRD #25574) ("CISC") as an Investment Company and Variable Contracts Products Representative.
2. Morehouse remained continuously associated with CISC until on or about September 14, 2007. On September 14, 2007, CISC filed a Uniform Termination Notice for Securities Industry Registration (Form U5) with FINRA, notifying FINRA that the firm had terminated Morehouse's employment with CISC.
3. FINRA retains jurisdiction over Morehouse pursuant to Article V, Section 4 of its By-Laws.

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SOLE CAUSE OF ACTION
(Conversion of Customer Funds From
Non-Securities Account - NASD Conduct Rule 2110)

4. The Department realleges and incorporates by reference paragraphs 1-3 above.
5. On August 11, 2007, Morehouse made three separate withdrawals totaling \$240 from the J.P. Morgan Chase bank account of customer O.R. using a temporary ATM card he had linked to the account. Morehouse withdrew these funds for his personal use and without O.R.'s knowledge or consent.
6. By converting funds from the customer's non-securities account, Morehouse 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.
- 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: February 28, 2008



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