

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Drumond Ricardo Roby,
CRD No. 4078255,

Respondent.

DISCIPLINARY PROCEEDING
No. 2007010784301

COMPLAINT

The Department of Enforcement alleges:

RESPONDENT AND JURISDICTION

1. Drumond Ricardo Roby became registered as a general securities representative (Series 7) in August 2001. Roby was registered with H&R Block Financial Advisors, Inc. (n/k/a Ameriprise Advisor Services, Inc.) from October 2002 until he was terminated on September 18, 2007 arising out of his activities in this disciplinary matter. FINRA retains jurisdiction over Roby as the Complaint is being filed within two years of Roby's termination.

SUMMARY

2. For approximately six weeks during July and August 2007, while working in the back office of H & R Block Financial Advisors (H&RBFA), Roby engaged in a course of wrongful conduct that included processing changes to the names and addresses of seven

inactive customer accounts at H&RBFA, to Roby's name and address. Roby then directed that checks be written from those accounts to him in the total amount of approximately \$17,900. When he received the checks, Roby cashed them and later misused the customers' funds.

3. Roby failed to respond to FINRA's requests for information in an investigation into Roby's activities, pursuant to NASD Rule 8210.

FIRST CAUSE OF ACTION

NASD Conduct Rules 2110 and 2330(a): Misuse of Customer Funds

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. From on or about July 6, 2007 through August 22, 2007, Roby changed the names and addresses belonging to seven customers¹ of H&RBFA, whose accounts were inactive at the time, to Roby's name and his home address, without the knowledge and approval of the customers.
6. From on or about July 6, 2007 through August 22, 2007, Roby caused and/or directed the funds in the seven customer accounts, totaling approximately \$17,900 to be disbursed to him by causing checks made payable to Roby to be issued from these accounts and sent to Roby's home.
7. From on or about July 6, 2007 through August 22, 2007, Roby misused the funds of these seven customers by cashing the checks and using the funds totaling approximately \$17,900 for some purpose other than for the benefit of the seven customers.

¹ The accounts included three held in the names of deceased customers, (GA, CH, and ER); and four inactive accounts held in the names of VH, JB, SM and TT.

8. Roby's acts and conduct as described in Paragraphs 4 through 7 constitute separate distinct violations of NASD Rules 2110 and 2330(a).

SECOND CAUSE OF ACTION

NASD Rules 2110 and 8210: Failure to Respond to FINRA's Requests for Information

9. The Department realleges and incorporates by reference paragraphs 1 through 8 above.
10. In connection with FINRA's investigation into Roby's activities, FINRA sent requests for information to Roby pursuant to NASD Rule 8210.
11. On or about January 17, 2008, FINRA sent to Roby a written request for information and documentation regarding his activities as described in Paragraphs 4 through 8 above. The written request for information was sent by first class mail and by certified mail, return receipt requested, to Roby's address of record as contained in the records of the Central Registration Depository ("CRD address"). The first class mailing to the CRD address was not returned to FINRA staff. The certified mailing to the CRD address was returned to FINRA marked "unclaimed".
12. On or about February 4, 2008, FINRA sent to Roby a second written request for information and documentation regarding his activities as described in Paragraphs 4 through 8 above. The written request for information was sent by first class mail and by certified mail, return receipt requested, to Roby's address of record as contained in the records of the Central Registration Depository ("CRD address"). The first class mailing to the CRD address was not returned to FINRA staff. The certified mailing to the CRD address was returned to FINRA marked "unclaimed".
13. The time has expired for Roby to respond to FINRA'S requests for information and Roby has failed to respond at all to FINRA.

14. Roby's failure to respond at all to NASD'S Rule 8210 requests for information constitutes separate and distinct violations of NASD Rules 2110 and 8210.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a) be imposed, including that the Respondent be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest; and
- C. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: August 6, 2009



Pamela Shu, Senior Regional Counsel
Mark A. Koerner, AVP and
Regional Chief Counsel
FINRA Department of Enforcement
55 West Monroe, 27th Floor
Chicago, IL 60603
Phone: (312) 899-4353; Fax: (312) 899-4600
e-mail: pamela.shu@finra.org