

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008013231501**

RECEIVED

2009 MAY 11 P 6:39

REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Tamara Lanz Moon, Respondent
CRD No. 2260150

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Respondent became registered as a General Securities Representative in October 1993 and, from March 1996 to March 2008, was registered in that capacity with Citigroup Global Markets, Inc. ("Citigroup" or the "Firm"), a member of FINRA. Citigroup terminated Respondent on March 31, 2008 for improper use of customer funds. Respondent currently is not registered with a FINRA member and has no relevant disciplinary history.

OVERVIEW

From March 1996 to March 2008, Moon worked as a sales assistant for Citigroup at the Firm's Palo Alto, California branch office. On March 31, 2008, Citigroup terminated Moon after she admitted to wrongfully taking funds in excess of \$850,000 from at least 22 Citigroup customers, including elderly and infirm customers, over a period of eight years, to falsifying numerous account records and to engaging in unauthorized trades in customer accounts. Moon's conduct constitutes separate violations of NASD Conduct Rules 2330(a) (improper use and conversion of

000047132 2009

customer funds), 2110 (falsification of account records), 2110 (unauthorized trading in customer accounts), 3110 (inaccurate books and records) and 2110.

FACTS AND VIOLATIVE CONDUCT

Beginning as early as 2001 and ending in March 2008, Moon wrongfully took in excess of \$850,000 from at least 22 Citigroup customers. Moon has admitted to falsifying account records and engaging in unauthorized trades, transfers and disbursements of customer funds for the purpose of converting these funds to her personal use, including remodeling her home and making speculative investments in other real estate properties.

To facilitate her conversion of customer funds, Moon carefully targeted customers who she believed were not monitoring their accounts, including elderly, ill and deceased customers, customers whose account statements had been returned due to bad addresses, and customers whose accounts Citigroup had designated as abandoned property. Moon forged signatures on numerous letters of instruction requesting address changes, trades, transfers and disbursements to a variety of payees, including to her personal bank accounts.

The following customers are representative:

Customer AM

Moon misappropriated approximately \$80,000 belonging to AM, an elderly widow, now deceased. By June 2003, when AM was 82 years old, she held multiple Citigroup accounts, including a primary account, an IRA account, and a Citicorp Trust account.

Due to AM's advanced age, Moon believed that AM did not actively monitor her various Citigroup accounts. From June 5, 2003 to October 25, 2004, Moon caused the unauthorized transfer of funds totaling approximately \$80,000 from AM's primary and IRA accounts into the Citicorp Trust account. In this same timeframe, using a "money in, money out" pattern, Moon caused the unauthorized distribution of funds from the Citicorp Trust account to Moon, in some cases forging AM's signature on letters of authorization to Citigroup requesting checks to be made out to certain of Moon's personal bank accounts. On June 22, 2004, Moon forged AM's signature on another letter of authorization to Citigroup, requesting a change of address on AM's Citibank Trust account to Moon's home address.

Customer BB

Moon misappropriated approximately \$27,000 belonging to BB, another elderly widow. In December 2006, when Bloomer was 83 years old suffering from advanced Parkinson's disease, Moon helped her open a Citigroup IRA account.

On January 1, 2007, Moon caused \$3,000 from BB's IRA account to be distributed to Moon in the form of a check made payable to one of Moon's personal bank accounts. On May 1, 2007, Moon caused over \$24,000 from BB's IRA account to be distributed to Moon, also in the form of a check made payable to one of Moon's personal bank accounts.

Customer GS

Moon misappropriated approximately \$26,000 belonging to GS, another elderly widow. In November 2006, following the death of GS' husband, Moon helped GS consolidate her holdings into one Citigroup account. In June 2007, when GS was 83 years old, Moon began causing the unauthorized distribution of monies from GS' Citigroup account to accounts owned by Moon and to accounts owned by other Citigroup customers to replace funds Moon wrongfully took from those accounts. To further this plan, Moon falsified documents requesting address changes. On May 21, 2007, Citigroup ran an exception report identifying a discrepancy between the address on GS' account and her address in government and telephone directories. To explain the discrepancy, Moon wrote the following on the exception report: "Client moved into a nursing home." During her taped interview, Moon admitted this was false and that GS "really didn't move into a nursing home; it was just a way to get around the system."

From June 11, 2007 to July 9, 2007, Moon caused the unauthorized distribution of over \$14,000 from GS' Citigroup account to Moon in the form of checks made payable to certain of Moon's personal bank accounts. During this timeframe, Moon also caused the unauthorized distribution of over \$12,000 from GS' Citigroup account to accounts belonging to two other Citigroup customers from whom Moon had wrongfully taken funds.

Customer RF and his daughters LF and HF

Moon's misconduct was not limited to taking funds belonging to elderly widows. Moon also misappropriated approximately \$55,000 belonging to RF, an American diplomat working overseas. RF held custodial accounts at Citigroup for his two daughters, LF and HF. By September 2002, Citigroup had designated both custodial accounts as abandoned property. Thereafter, Moon forged RF's signature on letters of authorization to Citigroup, changing the address on the accounts to keep the account statements from going to RF. In January 2003, Moon, without authorization, sold bonds in the account held for LF. Again, Moon forged a letter of authorization to Citigroup, requesting a check in the amount of \$25,000 made payable to one of Moon's personal bank accounts. In April and May, 2003, Moon had two additional checks totaling over \$7,000 made payable to one of Moon's personal bank accounts. All three checks were sent to Moon's home address. In June 2003, Moon, without authorization, sold bonds in the account held for HF, garnering proceeds of over \$23,000. Moon again forged RF's signature on a letter of authorization to Citigroup, requesting a check in that amount made payable to one of Moon's personal bank accounts.

Customer JL, Moon's father

Moon also misappropriated funds belonging to JL, her father. In January 2006, Moon created a dummy account for her father, without his knowledge or consent, and used this account to misuse approximately \$30,000 belonging to JL and approximately \$250,000 belonging to other Citigroup customers. On January 20, 2006, Moon forged her father's signature on a letter of authorization to Citigroup, changing the address on the account to keep account statements from being sent to her father. From August 2006 to March 2008, Moon requested and processed unauthorized journals into her father's dummy account from other Citigroup customers totaling over \$250,000. During this same timeframe, Moon, again forging her father's signature on

letters of authorization to Citigroup, caused the distribution of these monies into her various personal accounts and other Citigroup customer accounts.

Accordingly, based on the conduct described above, Moon improperly used and converted customer funds in violation of NASD Conduct Rules 2330(a) and 2110; falsified account records in violation of NASD Conduct Rule 2110; engaged in unauthorized trades in violation of NASD Conduct Rule 2110; and caused Citigroup to maintain inaccurate books and records in violation of NASD Conduct Rules 3110 and 2110.

- B. Respondent also consents to the imposition of a bar from associating with any FINRA member in all capacities.

Respondent understands that if she is barred or suspended from associating with any FINRA member, she becomes subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, she may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against her;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other

consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against her; and
- C. If accepted:
 - 1. This AWC will become part of her permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against her;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. She may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that she has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that she has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce her to submit it.

4.3-09
Date

Respondent

By: Tamara Lanz Moon
Tamara Lanz Moon

Reviewed by:

Charles J. Smith

Charles J. Smith
Counsel for Respondent
Hartnett, Smith & Associates
777 Marshall Street
Redwood City, CA 94063
650-568-2823

Accepted by FINRA:

4/3/09
Date

Signed on behalf of the
Director of ODA, by delegated authority

Linda S. Rieflberg
Linda S. Rieflberg
Vice President, Chief Counsel
FINRA Department of Enforcement
14 Wall Street
New York, NY 10005
646-315-7395