

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

David I. Carter, Respondent
General Securities Representative
[CRD No.4740584],

Respondent.

DISCIPLINARY PROCEEDING
No. 2008013476001

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. This matter involves a registered representative who exercised discretion in the account of a customer without receiving prior written authorization from the customer or written acceptance of the account as discretionary by his employer member firm.

RESPONDENT AND JURISDICTION

2. David I. Carter entered the securities industry on March 11, 2004, as a General Securities Representative of a FINRA member firm. During all periods mentioned herein, Carter was associated with FINRA member firm i-TRADEdirect.com Corp ("i-TRADE") and was registered with FINRA under Article V of the By-Laws as a General Securities Representative.

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3. Although Carter has not been associated with a FINRA member firm since May 30, 2010, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the date upon which he ceased to be associated with a FINRA member and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member.

CAUSE OF ACTION

NASD Conduct Rules 2510(b) and 2110 – Unauthorized Use of Discretion, Against David I. Carter.

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. During the period from on or about March 23, 2007, through on or about July 31, 2007, Respondent Carter exercised discretion in the account of customer JA.
6. Specifically, Carter effected 56 discretionary trades in the account JA, but did not obtain prior written authorization from JA.
7. Although i-TRADE permitted discretionary accounts, i-TRADE required its registered representatives to submit a written request to have an account designated as a discretionary account. Carter did not submit such a request, and i-TRADE did not provide written acceptance of the account as discretionary.
8. Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2510(b) and 2110 against Respondent David I. Carter.

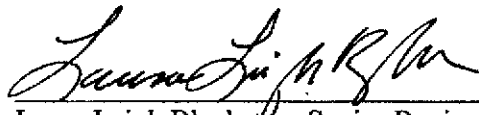
RELIEF REQUESTED

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 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: April 14, 2011



Laura Leigh Blackston, Senior Regional Counsel
Andrew A. Favret, Regional Chief Counsel and
Associate Vice President
FINRA Department of Enforcement
1100 Poydras Street
Energy Centre, Suite 850
New Orleans, LA 70163
Phone: (504) 522-6527 Fax: (504) 522-4077
Email: laura.blackston@finra.org