

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

V.

JOEL BARRETT (CRD# #5441006)

RESPONDENT.

DISCIPLINARY PROCEEDING
NO. 2008014006701

COMPLAINT

The Department of Enforcement alleges:

RESPONDENT

1. Barrett was employed as a Personal Banker with JP Morgan Chase Bank, N.A., (the "Bank") from October 10, 2007 through June 6, 2008. During this period, Barrett was registered with FINRA and held both Series 6 and Series 63 registrations. Barrett made referrals to advisors employed with Chase Investment Services Corp, a FINRA member, ("Chase" or the "Firm") and sold a limited number of mutual funds and certain fixed annuities.
2. On June 30, 2008, FINRA received a Uniform Termination Notice of Securities Industry Registration ("Form U5"), reporting that on June 6, 2008, the Bank terminated Barrett's employment for forging a Bank customer's name to a counter check and withdrawing \$25,000 from the customer's bank account without the customer's knowledge or authorization.

000008300 2009

3. Barrett has not been employed in the securities industry since June 6, 2008 but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws, which provides that a person who is no longer associated with a member is still subject to FINRA's rules for a period of two years after the effective date that the person ceases association with the member.

FIRST CAUSE OF ACTION

Misappropriation of Customer Funds in Violation of NASD Rules 2330(a) and 2110 and Forgery in Violation of NASD Rule 2110.

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. On or about May 22, 2008, Barrett, without the Bank's customer's knowledge or authorization, signed the Bank customer's name on a check withdrawal form (called a "counter check"), requesting a \$25,000 check from the Bank customer's account made payable to a friend of Barrett's. This check was later deposited into the friend's bank account.
6. The Bank recovered the funds and credited \$25,000 to the Bank customer's account.

7. In or about May 2008, Barrett, without the Bank customer's knowledge or authorization, activated and linked an ATM card to the Bank customer's savings account. For his own personal use and benefit, Barrett used the ATM card to withdraw \$3,500 from the Bank customer's savings account.

In light of the above, Barrett misappropriated funds of a Bank customer in violation of NASD Rules 2330(a) and 2110 and forged a Bank customer's signature in violation of NASD Rule 2110.

SECOND CAUSE OF ACTION

Failure to Provide a Written Response in Violation of NASD Rules 8210 and 2110

8. The Department realleges and incorporates by reference paragraphs 1 through 7 above.
9. By letters dated July 10, 2008, sent to Barrett via certified mail, return receipt requested and a copy by first class mail to Barrett's CRD address, [REDACTED] Enforcement notified Barrett pursuant to NASD Rule 8210 that it was investigating his termination of employment from the Bank and requested his detailed written explanation by July 24, 2008.

10. The letter dated July 10, 2008, sent by certified mail was returned to Enforcement marked "unclaimed." The letter dated July 10, 2008, sent by first class mail was not returned to Enforcement

11. Barrett did not respond to Enforcement's letter of July 10, 2008.

In light of the above, Barrett failed to respond to requests for information in violation of NASD Rule 8210 and NASD Rule 2110.

THIRD CAUSE OF ACTION

Failure to Provide a Written Response in Violation of FINRA Rules

8210 and 2010

12. The Department realleges and incorporates by reference paragraphs 1 through 11 above.

13. By letter dated February 2, 2009, sent to Barrett via certified mail, return receipt requested and a copy by first class mail to Barrett's CRD address [REDACTED] Enforcement notified Barrett pursuant to FINRA Rule 8210 that it was investigating his termination from the Firm and requested his detailed written explanation by February 17, 2009.

14. The letter dated February 2, 2009, sent via certified mail was returned to Enforcement marked "unclaimed – unable to forward." The letter dated February 2, 2009, sent by first class mail was not returned to Enforcement
15. Barrett did not respond to Enforcement's letter of February 2, 2009.
16. By letters dated March 26, 2009, sent via certified mail, return receipt requested and by first class mail to Barrett at both his last address as reflected on the CRD [REDACTED] and, in addition, to a second address which Enforcement obtained from a computer search for Barrett [REDACTED] [REDACTED] Enforcement again pursuant to FINRA Rule 8210 advised Barrett that it was investigating the termination of employment from the Firm and requested that no later than April 17, 2009, he provide his written explanation. The March 26, 2009 letter also advised Barrett that pursuant to FINRA Rule 8210 his failure to comply with requests for information, documentation or testimony could expose him to sanctions including a permanent bar from the securities industry.
17. The copies of the letters dated March 26, 2009, sent by certified mail, return receipt requested to Barrett's CRD address and the additional

residential address were returned to Enforcement marked "unclaimed – unable to forward." The copies of the letters dated March 26, 2009 sent via first class mail to Barrett's CRD address and the additional residential address were not returned to Enforcement.

18. Barrett has not responded to the February 2, 2009 and March 26, 2009 letters requesting his detailed written explanation pursuant to FINRA Rule 8210.

In light of the above, Barrett failed to respond to requests for information in violation of FINRA Rule 8210 and FINRA Rule 2010.

FOURTH CAUSE OF ACTION

Failure to Appear and Testify in Violation of FINRA Rules 8210 and 2010

19. The Department realleges and incorporates by reference paragraphs 1 through 18 above.

20. By letter dated June 10, 2009, sent by certified mail, return receipt requested and a copy by first class mail, both to Barrett's last address as reflected on his CRD [REDACTED] and the additional residential address [REDACTED] [REDACTED] Enforcement, pursuant to FINRA Rule 8210,

requested that Barrett appear and testify on Wednesday July 8, 2009 at 10:00 a.m. at Enforcement's offices at 14 Wall Street, 14th Floor, New York, New York and that if the requested date and time for his testimony was inconvenient for him, requested that he contact Enforcement no later than Monday, June 29, 2009 to reschedule his testimony to a mutually convenient time.

21. The letter dated June 10, 2009 also advised Barrett that his failure to provide the requested testimony could expose him to sanctions, including a permanent bar from the securities industry.

22. Both letters dated June 10, 2009 sent to Barrett by certified mail were returned to Enforcement marked "unclaimed - unable to forward." The letters sent to Barrett by first class mail were not returned to Enforcement.

23. Barrett did not appear and testify as requested on July 8, 2009. Barrett also failed to contact Enforcement to request an adjournment.

In light of the above, Barrett failed to respond to requests to appear and testify in violation of FINRA Rule 8210 and FINRA Rule 2010.¹

¹ Incorporated in this Complaint is the attached chart, Exhibit A, that sets forth the dates of the 8210 notices and the nature of Barrett's failures to comply.

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) 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.**
- 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.**
- C. Make specific findings that Respondent, as alleged in the First Cause of Action, misappropriated funds of a customer in violation of NASD Rules 2330(a) and 2110 and forged a customer's signature in violation of NASD Rule 2110.**
- D. Make specific findings that Respondent, as alleged in the Second Cause of Action, failed to respond to requests to for information in violation of NASD Rule 8210 and NASD Rule 2110.**
- E. Make specific findings that Respondent, as alleged in the Third Cause of Action, failed to respond to requests to for information in violation of FINRA Rule 8210 and FINRA Rule 2010.**

F. Make specific findings that Respondent, as alleged in the Fourth Cause of Action, failed to respond to requests to appear and testify in violation of FINRA Rule 8210 and FINRA Rule 2010.

FINRA DEPARTMENT OF ENFORCEMENT

Date: October 23, 2009

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Exhibit A

Chart of the Dates of the 8210 Notices and the Nature of Barrett's Failures to Comply

<u>Date</u>	<u>Address</u>	<u>Mailed</u>	<u>Information Requested</u>	<u>Delivery</u> <u>Receive</u>
7/10/08	[REDACTED]	Certified and First Class	Written Response	Certified "unclaimed" First class not returned
2/09/09	[REDACTED]	Certified and First Class	Written Response	Certified "unclaimed" First class not returned
3/26/09	[REDACTED]	Certified and First Class	Written Response	Certified "unclaimed" First class not returned
	[REDACTED]	Certified and First Class)	Written Response	Certified "unclaimed" First class not returned
6/10/09	[REDACTED]	Certified and First Class	Testimony	Certified "unclaimed" First class not returned
	[REDACTED]	Certified and First Class)	Testimony	Certified "unclaimed" First class not returned

The letters sent on 7/10/08 were sent pursuant to then NASD Rule 8210. The letters sent on 2/09/09, 3/26/09 and 6/10/09 were sent pursuant to FINRA Rule 8210.