

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Jeremy D. Hare
(CRD No. 2592809),

Respondent.

DISCIPLINARY PROCEEDING
No. 2008014015901

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From March 2007 through September 2007, Jeremy D. Hare (Hare) exercised discretion in a customer's account without written authorization from the customer or acceptance of the account as discretionary by his member firm. This conduct violated NASD Conduct Rules 2510 and 2110.
2. During FINRA staff's investigation of Hare with respect to his handling of the account of the customer described above, Hare provided false written statements and false testimony regarding his involvement with trades that were made in the customer's account. This conduct violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURIDICITION

3. In June 1995, Hare first became registered with FINRA as a General Securities Representative. From October 1999 through April 2008, Hare was registered in this capacity through member firm Wachovia Securities LLC (Firm). Hare is currently associated with another member firm.

FIRST CAUSE OF ACTION

Exercising Discretion Without Written Authorization From Customer Or Acceptance from Member Firm (NASD Conduct Rules 2510 and 2110)

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. At various times from March 2007 through September 2007 (the relevant period), Hare exercised discretion with respect to approximately 41 trades in the LS Trust account without written authorization from MS, who had power of attorney over the account, or acceptance of the account as discretionary by the Firm. The 41 trades are described on Exhibit A, which is attached hereto and incorporated herein by reference.
6. During the relevant period, the Firm prohibited discretionary trading in accounts such as the LS Trust account.
7. By exercising discretion without written authorization from the customer or acceptance of the account as discretionary by his employer member firm, Hare violated NASD Conduct Rules 2510 and 2110.

SECOND CAUSE OF ACTION

Providing False Written Statements and False Testimony to FINRA Staff (FINRA Rules 8210 and 2010)

8. The Department realleges and incorporates by reference paragraphs 1 through 7 above.
9. In about October 2007, MS complained to the Firm about Hare's handling of the LS Trust account. On June 3, 2009 and as part of its investigation into Hare's handling of the LS Trust account, FINRA staff sent Hare a letter requiring him to provide information relevant to MS' allegations. The letter was sent pursuant to FINRA Rule 8210 and was properly served to his Web CRD address of record.
10. On June 12, 2009, Hare responded by submitting a letter to FINRA staff in which he stated that he had spoken with MS and obtained her specific authorization for the trades that occurred in the LS Trust account before July 2007. Hare also stated, however, that he had no involvement in the trades that were made in the LS Trust account in July and September 2007, but one of his partners at the Firm, either GM or PL, was responsible for making those trades.
11. Hare's statements in the June 12, 2009 letter were false in that, contrary to his assertions, he was involved in making the trades that occurred in the LS Trust account in July and September 2007, including directing PL, his partner at the firm, to enter orders for two trades in the firm's order entry system.
12. On November 17, 2009, Hare appeared at an on-the-record interview (OTR), which took place at FINRA's Philadelphia Office. During that OTR, Hare falsely testified that, after MS complained to the Firm about his handling of the LS Trust account, PL admitted to him and to GM at a meeting in their office that he (PL)

had initiated the trades in the LS Trust account that occurred after June 2007.

Hare also falsely testified that he was not involved in making any of the trades in the LS Trust account that were made from July through September 2007.

13. Hare's testimony at the November 17, 2009 OTR was false in that PL never admitted to GM or to Hare initiating any trades in the LS Trust account.

Furthermore, Hare's testimony was false in that, as noted above, he initiated the trades in the LT Trust account that took place from July through September 2007, including directing PL to enter the orders for two of the trades.

14. By providing false testimony, Hare violated FINRA Rules 8210 and 2010.

RELIEF REQUESTED

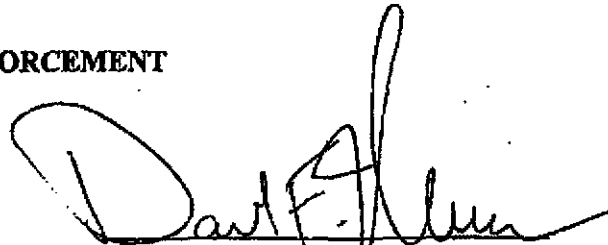
WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- B. order that the Respondent bear such costs of proceeding as are deemed fair

C. and appropriate under the circumstances in accordance with FINRA Rule
8330

FINRA DEPARTMENT OF ENFORCEMENT

Date: March 4, 2011

A handwritten signature in black ink, appearing to read "David F. Newman", is written over a horizontal line.

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Department of Enforcement v. Jeremy D. Hare
Disciplinary Proceeding No. 2008014015901
Trades in the LS Trust Account
03/13/2007 – 09/24/2007

SCHEDULE A

Trade Date	P/S	Quantity	Securities Description	Price
3/13/2007	S	-50,000.000	CS First Boston 05-3 3A2	\$90.40
3/13/2007	S	-20,000.000	Countrywide Home Loans	\$87.62
3/13/2007	S	-33,000.000	Countrywide HM 05-25 A5	\$89.67
3/13/2007	S	-13,000.000	FHLMC 2722 BX	\$93.59
3/13/2007	S	-50,000.000	GSR MTG SECS Corp	\$92.99
3/14/2007	P	6,476.684	Loomis Sayles FDS II	\$15.44
3/14/2007	S	-13,000.000	Countrywide 05-J8 1A4	\$90.34
3/14/2007	S	-28,000.000	Countrywide 05-23CB A16	\$90.59
3/14/2007	S	-25,000.000	FHLMC 3033 X	\$94.55
3/14/2007	S	-50,000.000	FHLMC 3066 DD	\$96.04
3/14/2007	S	-50,000.000	Credit 2006-4 1A12	\$96.66
3/15/2007	P	20,000.000	Fannie Mae	\$92.85
3/15/2007	P	23,000.000	Federal Natl Mtg Assn	\$94.94
3/15/2007	P	8,944.544	Eaton Vance	\$11.18
3/16/2007	P	25,000.000	Freddie Mac	\$96.83
3/16/2007	P	22,000.000	Freddie Mac	\$96.77
3/16/2007	P	13,000.000	Freddie Mac	\$95.93
3/16/2007	P	10,000.000	Freddie Mac	\$96.23
3/19/2007	P	1,943.005	Loomis Sayles FDS II	\$15.44
5/21/2007	S	-2,500.000	Alpine Total Dynamic	\$21.26
5/24/2007	P	5,000.000	Blackrock Intl Growth	\$20.00
6/6/2007	S	-22,000.000	Freddie Mac	\$89.66
6/6/2007	S	-10,000.000	Freddie Mac	\$88.24
6/6/2007	S	-16,000.000	FHLMC 2977 DE	\$90.39
6/22/2007	S	-64,000.000	Mastr Asset 03-7 4A21	\$84.50
6/25/2007	S	-25,000.000	Freddie Mac	\$88.31
6/25/2007	S	-20,000.000	Fannie Mae	\$82.16
6/25/2007	S	-23,000.000	Federal Natl Mtg Assn	\$85.66
6/25/2007	S	-50,000.000	Fannie Mae	\$96.41
6/26/2007	S	-25,000.000	Fannie Mae	\$95.31
6/26/2007	S	-31,000.000	Fannie Mae	\$94.96
6/26/2007	P	10,000.000	Calamos Global Dynamic	\$15.00
6/27/2007	P	5,000.000	Dividend Capital	\$20.00

Trade Date	P/S	Quantity	Securities Description	Price
6/29/2007	S	-1,175.460	Cohen & Steers Intl	\$18.66
6/29/2007	S	-677.915	Hartford Mut Fds Inc.	\$41.71
6/29/2007	S	-13,000.000	Tennessee Valley Author	\$88.63
7/26/2007	P	5,000.000	Claymore/Guggenheim	\$20.00
8/1/2007	S	-5,000.000	Dividend Capital	\$19.99
9/14/2007	P	1,000.000	Aegon N V 7.25%	\$25.00
9/24/2007	P	15,821.000	First Trust	\$9.48
9/24/2007	S	-10,000.000	Calamos Global Dynamic	\$13.35