

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

ROBERT A. SIGNORE
(CRD No. 5401120),

Respondent.

Disciplinary Proceeding
No. 2008015760901

Hearing Officer – MC

DEFAULT DECISION

July 27, 2010

Respondent forged a customer's signature on two personal checks without the customer's knowledge or consent, in violation of Conduct Rule 2110. For doing so, Respondent is barred from associating with any FINRA member firm in any capacity.

Appearances

Kathleen S. Lynch, Senior Regional Counsel, Jericho, NY, for the Department of Enforcement.

No appearance by or on behalf of Respondent Robert A. Signore.

DECISION

I. Introduction

The Department of Enforcement filed the attached Complaint on March 17, 2010. The single Cause of Action in the Complaint charges Respondent Robert A. Signore with violating Conduct Rule 2110 in October 2008 by forging a customer's signature on two checks he used to purchase a variable annuity that the customer had not agreed to purchase.¹

¹ As of July 30, 2007, NASD consolidated with the member regulation and enforcement functions of NYSE Regulation and began operating under a new corporate name, the *Financial Industry Regulatory Authority (FINRA)*. References in this decision to FINRA include, where appropriate, NASD. Following consolidation, FINRA began developing a new FINRA Consolidated Rulebook. The first phase of the new consolidated rules became effective

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Signore failed to file an Answer to the Complaint. On June 11, 2010, therefore, Enforcement filed a Motion for Entry of Default Decision and Request for Sanctions ("Default Motion"), which is supported by the Declaration of Kathleen S. Lynch and 11 exhibits.²

II. Findings of Fact and Conclusions of Law

A. Signore is Subject to FINRA's Jurisdiction

Signore registered with FINRA through his employer MetLife Securities Inc. as an Investment Company and Variable Contracts Products Representative in October 2007.³ MetLife terminated Signore's employment on November 21, 2008.⁴ Since then, Signore has not been associated with a FINRA member firm.⁵

The misconduct alleged in the Complaint occurred while Signore was registered with FINRA through MetLife. Because the Complaint was filed less than two years after Signore was last registered with a FINRA member firm, FINRA retains jurisdiction over him for the purposes of this disciplinary proceeding.

B. Signore Defaulted

On March 17, 2010, Enforcement served Signore with the Complaint and Notice of Complaint by certified and first-class mail at his most recent address recorded in the Central

on December 15, 2008, including certain conduct rules and procedural rules. *See* Regulatory Notice 08-57 (Oct. 2008). This decision refers to and relies on the NASD Conduct Rules that were in effect at the time of Signore's alleged misconduct. The applicable rules are available at www.finra.org/rules.

² The exhibits attached to Enforcement's Default Motion will be referred to as "CX-_" with the appropriate exhibit number. References in this Default Decision to the Declaration will be referred to as "Decl." or "Lynch Decl." with citation to specific paragraphs.

³ Decl. ¶ 5; CX-1, p. 3.

⁴ Decl. ¶ 6; CX-1, p. 3.

⁵ Decl. ¶ 7; CX-1, p. 3.

Registration Depository (“CRD address”).⁶ The certified mailing was returned, marked “unclaimed.” The first-class mailing was not returned.⁷ Signore did not file an Answer to the Complaint.⁸

Enforcement served the Complaint and Second Notice of Complaint upon Signore on April 20, 2010, once again by certified and first-class mail at Signore’s CRD address.⁹ This time, the return receipt for the certified mailing was returned to Enforcement with a signature indicating the mailing was received by “Robert Signore.” The first-class mailing was not returned to Enforcement.¹⁰ Nonetheless, Signore failed to file an Answer or to respond in any manner to the Complaint and Second Notice of Complaint.¹¹

By serving the Complaint, First Notice of Complaint, and Second Notice of Complaint upon Signore at his CRD address by certified mail, Enforcement complied with the service requirements of Procedural Rule 9134.¹² By failing to file an Answer, Signore defaulted. Accordingly, pursuant to Rules 9215(f) and 9269(a)(2), and for the reasons given below, the Default Motion is granted.¹³

⁶ Decl. ¶ 10.

⁷ Decl. ¶ 12; CX-3.

⁸ Decl. ¶ 13.

⁹ Decl. ¶ 14.

¹⁰ Decl. ¶ 15; CX-5.

¹¹ Decl. ¶ 16.

¹² *Dep’t of Enforcement v. Verdiner*, No. CAF020004, 2003 NASD Discip. LEXIS 42, at *5 (N.A.C. Dec. 9, 2003) (NASD Procedural Rule 9134(b)(1) allows for constructive notice by mailing a complaint to the respondent’s most recent CRD address) (*citing Lubeck v. SEC*, 1998 U.S. App. LEXIS 18849, at *20 (9th Cir. Aug. 12, 1998)).

¹³ The factual determinations in this Default Decision are based on the allegations of the attached Complaint, which are deemed admitted, as well as the Lynch Declaration and the exhibits filed by Enforcement.

C. Signore Forged a Customer's Signature on Two Checks in Violation of Conduct Rule 2110

When Customer JI's husband died in September 2008, she met with Signore to file a death claim in connection with her husband's two life insurance policies, of which JI was the beneficiary. Signore recommended that JI use the life insurance proceeds to purchase a variable annuity. JI initially signed several documents in connection with the proposed purchase but later informed Signore that she did not wish to complete the purchase.¹⁴

MetLife approved the death benefit claim in October 2008 and created an account in JI's name to pay the benefits to her. Signore had the account documents, including a personal checkbook for the account, sent directly to him.¹⁵ Without informing JI, and without authorization, Signore prepared two of JI's checks, in the amounts of \$106,157.39 and \$127,575.01, and signed each with JI's name. With the checks, Signore purchased a variable annuity for JI. When JI learned of this, she informed MetLife. MetLife cancelled the purchase and returned the funds to JI. When MetLife interviewed Signore, he admitted he forged JI's signature on the checks, and he acknowledged that it was wrong for him to have done so.¹⁶ Shortly thereafter, MetLife terminated Signore's employment.¹⁷ Signore's purchase of the annuity generated a commission of \$15,000, of which \$11,000 went to him.¹⁸

These facts, as alleged in the Complaint, and supported by the Lynch Declaration and the exhibits filed by Enforcement, are sufficient to establish, for the purposes of this Default Decision, that Signore violated Conduct Rule 2110.

¹⁴ Decl. ¶ 19; Complaint ¶ 5.

¹⁵ Decl. ¶ 20; Complaint ¶ 6.

¹⁶ Decl. ¶ 21; Complaint ¶ 7; CX-7.

¹⁷ CX-1, p. 3.

¹⁸ CX-6, transcript p. 48.

III. Sanctions

Conduct Rule 2110 requires a registered person, “in the conduct of his business,” to “observe high standards of commercial honor and just and equitable principles of trade.” For forgery or falsification of records, the Sanction Guidelines recommend, where mitigating factors are present, consideration of a suspension of up to two years and a fine of \$5,000 to \$100,000. In egregious cases, a bar is recommended.¹⁹

The Principal Considerations in Determining Sanctions for forgery include (i) the nature of the documents forged, and (ii) whether a respondent had a good-faith, but mistaken, belief that the person whose name was forged gave express or implied authority for the respondent to sign the person’s name. In the record of this case, the nature of the forged documents – personal checks that were issued to JI – is an aggravating factor. Furthermore, there is no basis from which Respondent could infer in good faith that he had express or implied authority from JI to sign her names to checks used to purchase an annuity policy she expressly informed Signore she did not wish to purchase. It is also an aggravating factor that Signore forged JI’s signature on her personal checks in the aftermath of the death of JI’s husband, when JI sought Signore’s assistance in filing a death claim to collect the benefits to which she was entitled. Doing so positioned Signore to profit improperly from the sizable commission paid to him in connection with the purchase of the annuity. Even though MetLife cancelled the purchase and returned the funds to JI, Signore’s pursuit of personal profit from the situation renders the forgeries egregious.

¹⁹ *FINRA Sanction Guidelines*, 39 (2007).

It has long been held that “[t]here can hardly be more serious misconduct in the securities business than forgery.”²⁰ As articulated by the Securities and Exchange Commission in terms applicable to this disciplinary proceeding:

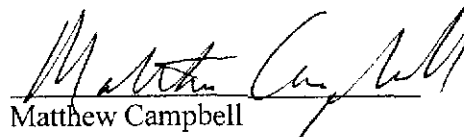
The public interest demands honesty from associated persons of [FINRA] members; anything less is unacceptable. This is especially true with respect to forgery of documents ... If customers of [FINRA] members cannot expect to be protected from forgery of documents ... and [FINRA] members cannot trust the documents submitted to them by their associated persons, the industry cannot operate. The industry must be protected from those who would undermine this trust; they cannot be, and have not been, allowed to continue to work in the industry.²¹

For these reasons, Enforcement’s recommendation of a bar from the securities industry is the appropriate sanction to impose for Signore’s misconduct, and will serve the additional important purpose of general deterrence by emphasizing the seriousness of forgery.

IV. Order

Respondent Robert A. Signore is barred from associating with any FINRA member firm in any capacity for forging a customer’s signature on two personal checks without the customer’s knowledge or consent, in violation of Conduct Rule 2110.

If this Decision becomes FINRA’s final disciplinary action, the bar shall be effective immediately.


Matthew Campbell
Hearing Officer

²⁰ *Brian G. Allen*, 50 S.E.C. 509, 510 (1991), quoted in *Dep’t of Enforcement v. Geoffrey Ortiz*, Exch. Act Rel. No. 58416, 2008 SEC LEXIS 2401, at *27-28 (Aug. 22, 2008)

²¹ *Ortiz*, *supra*, *29 (citations omitted).

Copies to:

Robert A. Signore (via FedEx and first-class mail)

Kathleen S. Lynch, Esq. (via electronic and first-class mail)

Mark P. Dauer, Esq. (via electronic mail)

David R. Sonnenberg, Esq. (via electronic mail)

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

ROBERT SIGNORE
(CRD No. 5401120),

RESPONDENT.

DISCIPLINARY PROCEEDING
No. 2008015760901

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. On or about October 20, 2008, Robert Signore ("Signore"), while employed with MetLife Securities Inc. ("MetLife" or the "Firm"), completed and signed JI's signature on two checks, without her knowledge or authorization. By reason of the foregoing, Signore violated NASD Conduct Rule 2110.

RESPONDENT AND JURISDICTION

2. Signore first became registered with FINRA as an Investment Company and Variable Contracts Products Representative ("IR") on or about October 2, 2007, through MetLife. Signore remained at MetLife in the capacity of an IR until his employment was terminated on November 21, 2008.

3. Since November 21, 2008, Signore has not been registered with another member.

However, this Complaint is being filed within two years of the effective date of the termination of Signore's registration with FINRA through MetLife; accordingly Signore remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

**SOLE CAUSE OF ACTION
FORGERY
FINRA CONDUCT RULE 2110**

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. JI was the beneficiary of her husband's life insurance policies. Shortly after her husband's death, in September 2008, JI went to the MetLife branch office, where Signore was employed, to file a death claim. At the time, Signore recommended that JI use the proceeds of the insurance policies to purchase a variable annuity. Although JI discussed the proposed purchase of such annuity with Signore and signed certain documents in connection with the proposed annuity purchase, she did not intend to complete the transaction and advised Signore that she wanted to reconsider the purchase at a later date.
6. In or about October 2008, after the death benefit claim was approved by MetLife, a Total Control Account ("TCA") was established in JI's name. A TCA is a settlement option used to pay death benefit claims to the beneficiary (JI) under the Firm's fixed life insurance and annuity contracts. Signore instructed the Firm's claims department to send the TCA material directly to him at the branch. The TCA materials included a checkbook which was personalized for JI. By using the personalized TCA checks, JI

would have the ability to draw a draft on the account for the entire amount of the insurance proceeds.

7. In or around October 2008, the TCA checkbook was delivered to the MetLife branch. Signore did not advise JI that the checkbook had arrived. Instead, without the knowledge or authorization of JI, Signore, on or about October 20, 2008, drew two TCA checks in the amounts of \$106,157.39 and \$127,575.01 and used the checks to purchase a variable annuity for the account of JI. After detecting the unauthorized payment, JI complained to MetLife, which cancelled the transaction and returned the funds to her.

By reason of the foregoing, Signore violated NASD Conduct Rule 2110.

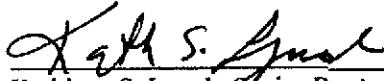
RELIEF REQUESTED

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 Signore bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

March 17, 2010


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