

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Christopher P. Smith (CRD No.4886942),

Respondent.

DISCIPLINARY PROCEEDING
No. 2009019838801

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between September 2007 and August 2009, Christopher P. Smith ("Smith" or "Respondent") made unauthorized withdrawals totaling approximately \$231,000 from the accounts of ten customers of J.P. Morgan Chase Bank N.A. (the "Bank"), an affiliated bank of Chase Investment Services Corp.'s ("CISC" or the "Firm") in violation of NASD Rule 2110 and FINRA Rule 2010.

RESPONDENT AND JURISDICTION

2. Between October 2005 and August 2009, Smith was employed and registered as a Series 6 and 63 by CISC where he worked as a Personal Banker for the Bank.
3. Although Respondent has not been associated with a FINRA member firm since August 25, 2009, he remains subject to FINRA's jurisdiction for purposes of this

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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.

**FIRST CAUSE OF ACTION
(NASD Rule 2110 and FINRA Rule 2010 - Misappropriation)**

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. Between September 2007 and August 2009, Smith misappropriated at least \$231,000 from the accounts of ten Bank customers. Smith engaged in a course of conduct in which he completed credit line advance request forms seeking withdrawals from Bank customer accounts without the customers' knowledge or consent. Smith withdrew the money in cash and used it to pay personal expenses or deposited it into his personal bank accounts. After some of the customers questioned the withdrawals, Smith reimbursed their accounts by making unauthorized withdrawals from other Bank customers' accounts.
6. In sum, Smith misappropriated approximately \$332,123 from Bank customers. He repaid several of the Bank customers with funds from accounts of Bank customers in the amount of \$101,123. The result is a total loss of \$231,000 to the Bank customers. The details by customer of the total amounts Smith misappropriated, repaid, and the total losses are set forth in the chart below:

Customer	Misappropriated	Repaid/ Reversed	Total Losses
GSCI	\$ 90,523		\$ 90,523
LB LLC	\$ 35,000	\$ 35,000	
KGM	\$ 35,000	\$ 35,000	
TJD	\$ 3,000		\$ 3,000
ACF	\$ 64,000		\$ 64,000
DFMC	\$ 32,500		\$ 32,500
JRN	\$ 27,500	\$ 21,123	\$ 6,377
FTO	\$ 30,100		\$ 30,100
BL	\$ 4,500		\$ 4,500
LBJ	\$ 10,000	\$ 10,000	
Total Misappropriated	\$ 332,123		
Total Repaid/Reversed		\$ 101,123	
Total Loss to Chase Bank			\$ 231,000

7. The Bank discovered Smith's actions in August 2009. When questioned, Smith admitted that he had taken the money from the Bank customers' accounts for personal use.
8. The Firm terminated Smith on August 25, 2009.
9. On March 30, 2010, Smith pleaded guilty to Misapplication of Bank Funds in the United States District Court for the Western District of Louisiana for stealing approximately \$231,000 that was entrusted to the care and control of the Bank.
10. As a result of this conduct, Smith violated NASD Rule 2110 and FINRA Rule 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

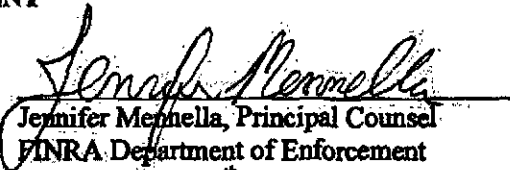
- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed.

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:

8/2/11


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