

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

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

V

**REBA ROSE COPE
CRD#5056512**

RESPONDENT

DISCIPLINARY PROCEEDING
No. 20090202431-01

COMPLAINT

The Department of Enforcement ("Enforcement") alleges:

OVERVIEW

1. From approximately October 2007 to October 2009 Reba Rose Cope ("Cope" or "Respondent"), while dually employed with First Citizens Bank & Trust (the "Bank") and its broker-dealer affiliate First Citizens Investor Services ("FCIS"), a FINRA-regulated entity, converted approximately \$9,878.89 from a Bank customer. Cope's conduct violated FINRA Rule 2010.

2. On three occasions, from November 17, 2009 to June 22, 2010, Enforcement requested that, pursuant to FINRA Rule 8210, Cope provide documents and information regarding allegations that she misappropriated funds. Cope failed to respond to any of the three requests in violation of FINRA Rules 8210 and 2010.

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RESPONDENT AND JURISDICTION

3. Cope entered the securities industry in or about October 2005 as an employee with FCIS. Cope, was also employed with FCIS's Bank affiliate since October 2003. On or about April 10, 2006, Cope completed and signed a Uniform Application for Securities Industry Registration or Transfer ("Form U4"), which FCIS filed with the NASD on or about May 18, 2006. Between June 2006 and October 2009, Cope sat twice for each of the Series 6 and 63 registration examinations, but failed the examinations on all occasions. Cope remained at FCIS until the Bank affiliate terminated her employment and FCIS terminated her employment on or about October 20, 2009.

4. Based upon Cope's application for registration in the securities industry via her completion of the Form U4, which FCIS filed with the NASD in 2006, she became a "person associated with a member," and therefore subject to FINRA's jurisdiction pursuant to FINRA By-Law, Article I, Definitions, section (rr).

5. Cope has not been affiliated with any FINRA regulated entity since her October 2009 termination of employment, but she remains subject to FINRA's jurisdiction pursuant to FINRA By-law Article V, Section 4, 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 her with misconduct committed while she was associated with a FINRA member and with failing to respond to FINRA requests for documents and information during the two-year period after the date upon which she ceased to be associated with a FINRA member.

FIRST CAUSE OF ACTION

Conversion

(FINRA Rule 2010)

6. Enforcement re-alleges and incorporates by reference paragraphs 1 through 5 above.

7. In October 2007, a customer of FCIS's affiliate Bank who held a maturing bank Certificate of Deposit ("CD") instructed Cope to use the proceeds from the maturing CD to purchase two new CDs for the customer in the names of two different individuals.

8. Thereafter, Cope purchased one of the two CDs that the customer requested, however, she took the proceeds (\$9,878.89) that were to be used to purchase the second CD, converted them to a cashier's check payable to the person for whom the CD was to be opened, and held the check in her office until December 23, 2008.

9. On December 23, 2008, Cope cashed the cashier's check and kept the money for her personal use.

10. In or about September 2009, the Bank's customer requested the proceeds of the two (now maturing) CDs. However, after only finding one CD for the customer, the Bank investigated the incident, discovered Cope's conduct and terminated her employment on or about October 20, 2009. Thereafter, the Bank notified FCIS that Cope's employment had been terminated for cause, and on or about October 20, 2009, FCIS also terminated Cope's employment.

11. FINRA Rule 2010 requires that members and associated persons observe "high standards of commercial honor and just and equitable principles of trade."

12. Cope engaged in conduct inconsistent with high standards of commercial honor and equitable principles of trade in that while associated with FCIS, she wrongfully converted funds of a customer of FCIS's affiliate Bank, and used them for her own purposes.

13. As a result of her conduct alleged above, Cope violated FINRA Rule 2010.

SECOND CAUSE OF ACTION

Failure to Cooperate

(FINRA Rules 8210 and 2010)

14. Enforcement re-alleges and incorporates by reference paragraphs 1 through 13 above.

15. FINRA Rule 8210 requires members and associated persons to provide information orally, in writing or electronically if requested, with respect to any investigation, complaint, examination or proceeding.

16. By letter dated November 17, 2009, FINRA's Preliminary Investigations Unit ("PI Unit") requested that, pursuant to FINRA Rule 8210, Cope provide documents and information, including a signed statement, concerning a Uniform Termination Notice of Securities Industry Registration ("Form U5") filing from FCIS alleging that she misappropriated funds. This letter was sent via certified and first class mail to Respondent's last known address, as reflected in the Central Registration Depository (the "CRD address").¹ The response was due on December 17, 2009. The letter issued via certified mail was returned to FINRA and stamped, "Return to sender, attempted, not known, unable to forward." The first class copy was not returned to FINRA.

17. By letter dated January 12, 2010, FINRA's PI Unit requested again that, pursuant to FINRA Rule 8210, Cope provide documents and information, including a signed statement, concerning a Form U5 filing from FCIS alleging that she misappropriated funds. The letter was

¹ Cope's CRD address is: [REDACTED]

sent via certified and first class mail to Respondent's CRD address and to a P.O. Box address located on Lexis. The response to this letter was due on January 26, 2010. On January 20, 2010 both certified copies were delivered and signed for by Cope. The first class copy sent to her CRD address was returned to FINRA and stamped, "Return to sender, attempted, not known, unable to forward," however, the first class copy sent to the P.O. Box address was not returned to FINRA.

18. By letter dated June 22, 2010, Enforcement requested that, pursuant to FINRA Rule 8210, Cope provide documents and information, including a signed statement, concerning a Form U-5 filing from FCIS alleging that she misappropriated funds. The letter was sent via certified and first class mail to Respondent's CRD address, to the aforementioned P.O. Box address located on Lexis and to an additional street address also located on Lexis. The response to this letter was due on July 6, 2010. On June 30, 2010, the first class letter sent to Cope's CRD address was returned to FINRA and stamped, "Return to sender, attempted, not known, unable to forward." On July 1, 2010, the certified letter sent to Cope's CRD address was returned to FINRA and stamped, "Return to sender, unclaimed, unable to forward." On July 7, 2010, the first class letter sent to the additional street address was returned to FINRA and stamped, "Return to sender, not deliverable as addressed, unable to forward." On July 8, 2010, the certified letter sent to the additional street address was returned to FINRA and stamped, "Return to sender, not deliverable as addressed, unable to forward." On July 20, 2010, the certified letter sent to the P.O. Box address was returned to FINRA and stamped, "Return to sender, attempted, not known, unable to forward." However, the first class copy sent to the P.O. Box address was not returned to FINRA.

19. Respondent failed to respond to any of the letters.

20. By virtue of the above conduct, Cope violated FINRA Rules 8210 and 2010.

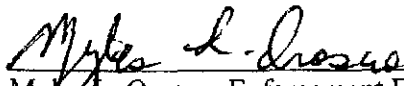
RELIEF REQUESTED

WHEREFORE, Enforcement 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.

FINRA DEPARTMENT OF ENFORCEMENT

Date: October 12, 2010


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