

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

DEPARTMENT OF ENFORCEMENT,	:	
	:	
Complainant,	:	DISCIPLINARY PROCEEDING
	:	No. <u>2011026468501</u>
v.	:	
	:	
MICHAEL A. LAMBOY	:	
(CRD#5058677),	:	
	:	
Respondent.	:	
	:	

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From approximately November 2010 to December 2010 (the “Relevant Period”), Michael A. Lamboy (“Lamboy”), while a Series 6 and Series 63 registered person with Chase Investment Services Corp. (“Chase” or the “Firm”), a FINRA regulated firm, converted at least \$1,860 from approximately three customers of J.P. Morgan Chase Bank, N.A. (“the Bank”). Lamboy’s conduct violated FINRA Rule 2010.

2. Additionally, Lamboy failed to comply with FINRA’s request for testimony made pursuant to FINRA Rule 8210 in violation of FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

3. Lamboy was Series 6 registered with FINRA from approximately November 2005 through February 2011 and held a Series 63 registration from approximately December 2005 through February 2011. In approximately October 2005, Lamboy became registered with Chase.

4. On February 11, 2011, Chase submitted to FINRA a Uniform Termination Notice of Securities Industry Registration and Transfer (“Form U5”), reporting that Lamboy was terminated on January 25, 2011, for converting funds from bank customers for personal use.

5. Lamboy has not been associated with a FINRA regulated entity since January 25, 2011, but remains subject to FINRA’s jurisdiction 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 and with failing to respond to FINRA’s requests for testimony during the two-year period after the date upon which he ceased to be associated with a FINRA member.

FIRST CAUSE OF ACTION

Conversion of Funds (FINRA Rule 2010)

6. The Department realleges and incorporates by reference paragraphs 1 through 6 above.

7. FINRA Rule 2010 requires that “[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade.”

8. From approximately November 2010 to December 2010, Lamboy, a dual employee of the Firm and the Bank, converted approximately \$1,860 from at least three Bank customers.

9. Specifically, without the knowledge or authorization of the Bank customers, Lamboy withdrew funds from the customers’ Bank accounts for his personal benefit.

10. Lamboy withdrew these funds in two different ways: (i) filling out withdrawal slips; or (ii) in the account of at least one customer, issuing and using an automated teller machine card with a personal identification number that he created.

11. On or about January 18, 2011, Lamboy admitted in a written “interview statement” to the Bank that he withdrew Bank customers’ funds “totaling \$1,860,” “due to stupidity and hardship.”

12. Lamboy engaged in conduct inconsistent with high standards of commercial honor and just and equitable principles of trade in that he withdrew \$1,860 from customers’ Bank accounts for his personal benefit rather than for customers’ investment purposes.

13. As a result of his conduct alleged above, Lamboy violated FINRA Rule 2010.

SECOND CAUSE OF ACTION

Failure to Cooperate (FINRA Rules 8210 and 2010)

14. The Department realleges and incorporates by reference paragraphs 1 through 13 above.

15. FINRA Rule 8210 provides, in relevant part, that FINRA “shall have the right to require a member, person associated with a member, or person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically. . . and to testify. . . , under oath or affirmation . . . if requested, with respect to any matter involved in an investigation, complaint, examination, or proceeding.” Moreover, FINRA Rule 8210(c) states that “no member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.”

16. In a letter dated September 22, 2011, Enforcement requested that Lamboy appear and testify at FINRA's Offices on October 4, 2011 under oath on oral examination pursuant to FINRA Rule 8210. Lamboy failed to appear and testify as requested.

17. Enforcement sent the September 22, 2011 Rule 8210 request for testimony to an address that Lamboy provided to staff in FINRA's Central Review Group ("CRG") when Lamboy was responding to CRG's request for documents and information. Lamboy advised that his address was supposed to have been changed a year ago to the updated address.

18. In a second letter dated October 4, 2011, sent to Lamboy's last known address as reflected in the Central Registration Depository (the "CRD address"), and the other address that Lamboy provided to CRG staff, Enforcement requested that Lamboy appear at FINRA's Offices on October 13, 2011 and provide testimony under oath on oral examination pursuant to FINRA Rule 8210.

19. On October 5, 2011, after receiving staff's letter dated October 4, 2011, Lamboy sent an e-mail to Enforcement advising that he did not want information sent to the CRD address and believed there was no reason to testify since he already confessed to misdemeanor charges and is paying restitution. Lamboy subsequently failed to appear and testify as requested in the October 4, 2011 Enforcement letter.

20. In a third letter dated November 16, 2011, sent to the CRD address and the other address that Lamboy provided to CRG staff, Enforcement requested that Lamboy appear at FINRA's Offices on November 29, 2011 and provide testimony under oath on oral examination pursuant to FINRA Rule 8210.

21. On November 17, 2011, after receiving staff's letter dated November 16, 2011, Lamboy left a voice message informing staff that he would not appear for testimony. Staff

returned Lamboy's call to discuss the matter with him. According to Lamboy, he was interested in resolving the matter without his having to appear for testimony. Lamboy requested that staff stop sending correspondence to his CRD address.¹

22. Based on Lamboy's representations to staff that he wanted to resolve this matter, on December 2, 2011, staff provided Lamboy with an AWC for him to review and sign. By e-mails dated December 5, 2011, December 13, 2011 and January 13, 2012, Lamboy continued to represent that he wanted to resolve this matter via the AWC provided by staff. However, Lamboy has not responded to further communications from staff (e-mails dated January 17, 2012 and February 1, 2012) since his January 13, 2012 e-mail.

23. Lamboy's failure to appear for testimony under oath on oral examination as requested constitutes a violation of FINRA Rules 8210 and 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

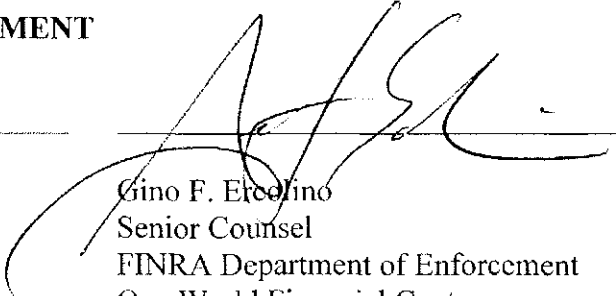
- A. make findings of fact and conclusions of law that Respondent(s) committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed.
- C. order that Respondent(s) bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330;

¹ Lamboy never updated or corrected his CRD address on his Form U4. Based on staff's investigation, and according to Lamboy, the residential address reflected in Lamboy's CRD is his father's residential address, but not an address where Lamboy ever lived. Lamboy expressed irritation about Staff's issuance of the request letters to his father's address. He continued to express frustration even after staff explained verbally (and also had done so via a prior e-mail) that under FINRA rules Staff was required to send correspondence to Lamboy's CRD address.

FINRA DEPARTMENT OF ENFORCEMENT

Date: _____

3/15/12



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