

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

Department of Enforcement,

Complainant,

v.

Kimberly B. LaRosa,
CRD No. 2911452,

Respondent.

Disciplinary Proceeding
No. 2011027852601

Hearing Officer -- RLP

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: July 31, 2013

INTRODUCTION

Disciplinary Proceeding No. 2011027852601 was filed on March 22, 2013, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Kimberly B. LaRosa submitted an Offer of Settlement (Offer) to Complainant dated July 23, 2013. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of

findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Between on or about March 23, 2010 and on or about April 8, 2011 ("the relevant period"), LaRosa was employed by and associated with MSSB. LaRosa recruited registered representatives to join the Firm. Her association with MSSB ended when the Firm terminated her on April 8, 2011. Although LaRosa is no longer registered or associated with a FINRA member, she remains subject to FINRA's jurisdiction for purposes of this 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 she ceased to be associated with a FINRA member, namely, April 8, 2011, and (2) the Complaint charges her with misconduct committed while she was registered or associated with a FINRA member, and with failing to appear for on-the-record testimony during the two-year period after the date upon which she ceased to be registered or associated with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

FIRST CAUSE OF ACTION

(Conversion of Employer Funds by Using a Business Account for Personal Use)

Violation of FINRA Rule 2010

LaRosa had access to a business credit account that MSSB maintained at a grocery store chain ("grocery store business account"). MSSB maintained written policies stating that such accounts may be used only for appropriate business purposes.

During the relevant period and contrary to Firm policies, LaRosa, without authorization, used the grocery store business account to purchase food, groceries and household items for her and her family's personal use. These unauthorized charges, which are listed on the attached Schedule A, totaled \$3,155.18.

By using the grocery store business account for unauthorized personal use, LaRosa converted \$3,155.18 from MSSB, in violation of FINRA Rule 2010.

SECOND CAUSE OF ACTION

(Failure to Testify)

Violation of FINRA Rules 8210 and 2010

By letter dated February 13, 2013, the Department of Enforcement requested, pursuant to FINRA Rule 8210, that LaRosa appear for an OTR at FINRA's Department of Enforcement offices in Rockville, MD. at 9:30 a.m. on March 5, 2013.

The request was sent by both U.S. first class mail and certified mail to each of two addresses: (1) LaRosa's residential address as reflected in the records of the Central Registration Depository ("CRD") – [REDACTED] (the "CRD address"); and (2) LaRosa's current residential address, as furnished by her counsel – [REDACTED] [REDACTED] (the "current address"). A courtesy copy was sent to LaRosa's counsel.

The first-class envelope sent to the CRD address was returned to the staff marked "Not Deliverable as Addressed". The certified mail envelope sent to the CRD address was returned to the staff marked "Unclaimed".

The first-class envelope sent to the current address was not returned to the staff. The certified mail envelope sent to the current address was returned to the staff marked "Unclaimed".

On March 4, 2013, LaRosa, through counsel, sent an email to the staff in which she stated that she would not appear for testimony.

As of the date of this Complaint, LaRosa has not appeared for testimony.

By refusing to appear for testimony, LaRosa violated FINRA Rules 8210 and 2010.

Based on the foregoing, Respondent violated FINRA Rules 2010 and 8210.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

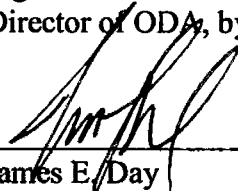
It is ordered that Respondent be barred from association with any FINRA member firm in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

Signed on behalf of the
Director of ODA, by delegated authority

A handwritten signature in black ink, appearing to read "James E. Day", is written over a horizontal line.

James E. Day
Chief Counsel and Vice President
FINRA Department of Enforcement
15200 Omega Drive, 3rd Floor
Rockville, MD 20850
Telephone: 301-258-8520
Facsimile: 202-721-8303

Schedule A

Kimberly LaRosa's Unauthorized Charges Using Grocery Store Business Account

<u>Transaction Date</u>	<u>Total Amount on Invoice</u>	<u>Amount of Unauthorized Charges</u>
03/31/2010	\$1650.84	\$61.59
04/16/2010	\$618.44	\$300.59
04/20/2010	\$188.99	\$83.04
04/23/2010	\$1,146.92	\$87.42
05/02/2010	\$1,929.40	\$340.15
05/06/2010	\$730.43	\$200.68
05/18/2010	\$658.67	\$128.92
05/25/2010	\$717.54	\$187.79
06/05/2010	\$2,077.18	\$276.03
06/16/2010	\$110.91	\$110.91
06/22/2010	\$151.44	\$151.44
06/23/2010	\$546.38	\$16.63
07/26/2010	\$633.00	\$285.60
08/02/2010	\$650.21	\$120.46
08/08/2010	\$787.94	\$258.19
08/15/2010	\$346.89	\$260.04
08/20/2010	\$159.72	\$159.72
08/21/2010	\$625.98	\$125.98
Totals:	\$13,730.88	\$3,155.18