

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

Department of Enforcement,

Complainant,

v.

Christopher E. Clements,
(CRD No. 1695798),

Respondent.

DISCIPLINARY PROCEEDING
No. 20110281072

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between January 2009 and March 2011, on numerous occasions, Christopher Clements submitted false expense reports to the broker-dealer that employed him, causing his firm to reimburse him for expenses that Clements did not in fact incur. By submitting false expense reports to his firm, and by accepting reimbursement of approximately \$9,000 for those false expenses, Clements converted funds from his firm. This conduct was in violation of FINRA Rule 2010.

RESPONDENT AND JURISDICTION

2. In November 1988, Clements became registered as a general securities representative with a FINRA-registered firm. In January 2004, he became registered in the same capacity with Calamos Financial Services LLC ("Calamos"). He remained with Calamos until May 2011, at which time his registration was terminated. In July 2011, he became registered

with another FINRA-registered firm. On November 4, 2013, his registration was terminated. Since that time, he has not been registered with a FINRA-registered firm. Although Clements is no longer registered or associated with a FINRA member, he 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 effective date of termination of his registration with a FINRA-registered firm, namely, November 4, 2013, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

BACKGROUND

3. The Department of Enforcement realleges and incorporates by reference paragraphs 1 and 2 above.

4. Between 2004 and 2011, Clements was employed as a regional sales director at Calamos and was responsible for promoting and selling financial products offered by his employer to financial advisors and registered representatives at other firms. In this role, Clements regularly traveled from his home in Connecticut to locations in and around New York City.

5. During all relevant times, Calamos had a policy of reimbursing its registered representatives for travel-related expenses, including, but not limited to, weekly train passes, car mileage and tolls. To obtain reimbursement, Clements was required to prepare and electronically submit expense reports detailing his travel-related expenses.

6. Between January 2009 and March 2011, Clements prepared and electronically submitted expense reports on more than approximately 100 occasions in which he claimed that he had incurred travel-related expenses for car mileage and tolls, for business trips into and out

of New York City. In fact, however, he had traveled to and from New York City by train on those occasions, had sought and received reimbursement for his train fares and had not incurred charges for car mileage and tolls.

7. Following submission of the false travel-related expense reports referenced above, Calamos reimbursed Clements approximately \$9,000 for car mileage and tolls to and from New York City to which Clements was not entitled and which Clements converted for his own use.

First Cause of Action
Submission of False Expense Reports
FINRA Rule 2010

8. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 7 above.

9. By submitting false expense reports to Calamos, claiming he was owed reimbursement for approximately \$9,000 in charges for car mileage and tolls, when in fact he had not incurred those expenses and had instead traveled to and from New York City by train, Clements violated FINRA Rule 2010.

Second Cause of Action
Conversion of Firm Funds
FINRA Rule 2010

10. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 9 above.

11. By submitting false expense reports to Calamos and by obtaining and accepting approximately \$9,000 from the firm as reimbursement for those false travel-related expenses, Clements converted funds from his employer, in violation of FINRA Rule 2010.

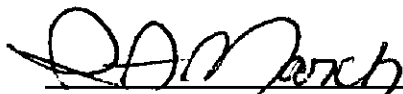
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent 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; and
- C. order that 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: 2/3/14



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