

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

Department of Market Regulation,

Complainant,

v.

Teresa Jo Dorenkamp (CRD 4822410),

Respondent.

Disciplinary Proceeding
No. 20110290024

Hearing Officer - MAD

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: August 1, 2012

INTRODUCTION

Disciplinary Proceeding No. 20110290024 was filed on April 16, 2012 by the Department of Market Regulation of the Financial Industry Regulatory Authority ("FINRA" or "Complainant"). Respondent Teresa Jo Dorenkamp ("Dorenkamp" or "Respondent") submitted an Offer of Settlement ("Offer") to Complainant on July 16, 2012. 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

This investigation originated from FINRA's Front End Cause Department's review of a Form U5 filed after Respondent's termination from her member firm. The matter was referred to the Legal Section of the Department of Market Regulation by the Office of Fraud Detection and Market Intelligence.

Dorenkamp first became associated with a FINRA member firm in June 2004. In April 2007, she became a registered assistant at her most recent employing firm, which discharged her on August 10, 2011, after learning of the misconduct described in the Complaint. Although Dorenkamp 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 effective date of termination of Respondent's registration with her most recent employing firm, namely August 10, 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:

1. Between May 2007 and August 2011, Dorenkamp misused and converted more than \$390,000 of customer funds, in violation of NASD Rules 2330 and 2110 and FINRA Rules 2150 and 2010. To facilitate the conversion, Dorenkamp forged customer and supervisor signatures, used a signature guarantee medallion without authorization, and completed false customer account authorizations that allowed her to transfer or deposit customer funds into her or her husband's accounts, in violation of NASD Rule 2110 and FINRA Rule 2010.

2. In connection with the investigation into this matter, FINRA staff requested that Dorenkamp appear on September 8, 2011, in Rockville, Maryland, to provide testimony. Dorenkamp failed to appear for testimony, in violation of FINRA Rules 8210 and 2010.

FIRST CAUSE OF ACTION Conversion of Customer Funds (NASD Rules 2330 and 2110; FINRA Rules 2150 and 2010)

3. Market Regulation realleges and incorporates by reference all preceding paragraphs.

4. Starting in May 2007 and continuing through August 2011, Dorenkamp misused and converted customer funds in four ways.

Fraudulent Wire Transfer Authorizations

5. First, from August 2008 through June 2011, on approximately 11 occasions, Dorenkamp forged customer signatures on wire transfer authorization letters directing her firm's clearing agent to wire transfer funds from the customers' accounts into her and her husband's bank accounts. She converted approximately \$116,696.50 in this manner.

Depositing Customer Checks Written to the Clearing Agent

6. Second, from May 2010 to July 2011, on approximately six occasions, Dorenkamp took customer checks written to the firm's clearing agent that were intended to be deposited into the customer's accounts and instead deposited the checks into her or her husband's accounts. She converted approximately \$8,048.80 in this manner.

Siphoning Money from a Customer's Fund Account

7. Third, on July 13, 2010, Dorenkamp forged a customer signature, forged her supervisor's signature, and used a signature guarantee medallion stamp without authorization to complete a fraudulent authorization form sent to a family of funds that was an investment option for firm customers (the "Fund"). This fraudulent authorization allowed Dorenkamp to link her bank account to the customer's Fund account. She was thus able, on approximately seven occasions from October 2010 through April 2011, to transfer a total of approximately \$176,731.52 out of the customer's Fund account directly into her personal bank account.

Depositing Customer Checks Written to the Fund

8. Fourth, from May 2007 to January 2011, Dorenkamp sent fraudulent authorization letters to the Fund purportedly from Dorenkamp's husband or her supervisor directing that enclosed customer checks, written to the Fund with the intent to be deposited into customer accounts, instead be deposited into her husband's Fund accounts. This included three checks written to the Fund by individual customers, and dozens of checks written by a corporate customer. The funds from the corporate customer's checks were to be disbursed by the Fund as employer and employee contributions to 14 separate IRA accounts of employees of the corporate customer, who were themselves also customers of Dorenkamp's firm. Dorenkamp additionally

converted the funds from one check from the corporate customer that were not intended to be disbursed to employee IRA accounts.

9. In each scenario described above, funds that were transferred or deposited into Dorenkamp's husband's bank or Fund accounts were eventually transferred into Dorenkamp's bank accounts. By employing these four schemes, Dorenkamp used customer funds for a purpose other than as directed by the customer, and intended to permanently deprive customers of the use of their funds. The customer funds were spent on cars, vacations, furniture, and other personal expenses.

10. The customers involved and the amounts converted are summarized below:

Customer Name	Amount
RA	\$6,894.40
AC	\$5,542.14
BC	\$485.92
KC	\$19,260.64
RC	\$21,666.08
SC	\$1,516.85
KH	\$1,023.96
JF	\$10,000.00
MCH	\$4,000.00
PL	\$1,500.00
RM	\$1,726.17
PM	\$64,456.90
JN	\$3,022.35
PWCI	\$1,020.13
JR	\$3,996.74
FS	\$2,612.98
R&MS	\$52,239.60
CS	\$176,731.52
KSJR	\$851.38
DT	\$3,648.76
JT	\$4,400.04
MT	\$2,716.17
PW	\$2,412.58

11. Of the total amount, \$293,428.02 was converted from customers currently over the age of 65.

12. By engaging in the foregoing conduct, Dorenkamp misused and converted customer funds, in violation of NASD Rule 2330 (for conduct prior to December 14, 2009) and FINRA Rule 2150 (for conduct on or after December 14, 2009). Additionally, by engaging in the foregoing conduct, Dorenkamp, in the conduct of her business, failed to observe high standards of commercial honor and just and equitable principles of trade, in violation of NASD Rule 2110 (for conduct prior to December 15, 2008) and FINRA Rule 2010 (for conduct on or after December 15, 2008).

SECOND CAUSE OF ACTION
Dorenkamp Falsified and/or Forged Documents
(NASD Rule 2110 and FINRA Rule 2010)

13. Market Regulation realleges and incorporates by reference all preceding paragraphs.

14. As alleged above, Dorenkamp forged customer signatures, forged her supervisor's signature, used a signature guarantee medallion stamp without authorization, sent fraudulent authorization letters purporting to be her husband, her supervisor, or a customer, and completed fraudulent authorization forms purporting to be a customer. She did this to create the false impression that customers had authorized the deposit of checks or the transfer of funds into her or her husband's personal accounts.

15. By engaging in the foregoing conduct, Dorenkamp violated NASD Rule 2110 (for conduct prior to December 15, 2008) and FINRA Rule 2010 (for conduct on or after December 15, 2008).

THIRD CAUSE OF ACTION
Failure to Appear for Testimony
(FINRA Rules 8210 and 2010)

16. Market Regulation realleges and incorporates by reference all preceding paragraphs.

17. On August 31, 2011, FINRA staff served a written request upon Dorenkamp, pursuant to Rule 8210, which required her to appear for testimony in Rockville, Maryland on September 8, 2011, in connection with FINRA's investigation of her misuse and conversion of customer funds and falsification and forgery of documents. FINRA staff also called Dorenkamp to inform her of the scheduled testimony. On September 7, 2011, FINRA staff again called Dorenkamp and left a voice mail message reminding her of the scheduled testimony.

18. Dorenkamp failed to appear for testimony on September 8, 2011. Subsequently, on or about November 14, 2011, Dorenkamp's counsel informed FINRA staff that she would not agree to appear for on-the-record testimony. As a result, FINRA staff was prevented from questioning Dorenkamp about her deceptive conduct.

19. By engaging in the foregoing conduct, Dorenkamp violated FINRA Rules 8210 and 2010.

Based on the foregoing, Respondent violated NASD Rules 2330 and 2110 and FINRA Rules 2150, 8210 and 2010.

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

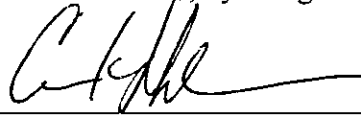
barred in all capacities from associating with any FINRA member.

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

SO ORDERED.

FINRA

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



Cameron K. Funkhouser
Executive Vice President
Office of Fraud Detection and Market Intelligence