

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

Department of Enforcement,

Complainant,

v.

Samuel Delshaul Shoemaker
(CRD No. 4932603),

Respondent.

DISCIPLINARY PROCEEDING
No. 2011030666301

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between April 2011 and November 2011, Samuel Delshaul Shoemaker ("Shoemaker") while employed as a Personal Banker with JPMorgan Chase Bank (the "Bank"), an affiliate of Chase Investment Services Corp ("Chase" or the "Firm"), misappropriated \$5,375.72 from three Bank customers' accounts by providing confidential information to an unauthorized third party who used that information to create false debit cards. The third party provided the false debit cards to Shoemaker, who used them to make purchases and to obtain funds without the Bank customers' knowledge or authorization. By virtue of this conduct, Shoemaker violated FINRA Rule 2010.

2. Additionally, Shoemaker failed to comply with requests for information, documents and on-the-record testimony made pursuant to FINRA Rule 8210, in violation of FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

3. Shoemaker first entered the securities industry in March 2005. He obtained Series 6 and 63 licenses in 2010. Shoemaker was registered as an Investment Company Products/Variable Contracts Representative with Chase, a FINRA regulated broker-dealer, from May 2010 until his termination on November 15, 2011. While registered with the Firm, he worked as a Personal Banker in the Bank's New York, New York branch office.

4. In a Uniform Termination Notice for Securities Industry Registration ("Form U5") dated December 14, 2011, the Firm reported to FINRA that on November 15, 2011, Shoemaker's employment had been terminated after he admitted to "providing Bank customer information to an unauthorized third party and using that information for Bank debit card purchases."

5. Although Shoemaker has not been associated with a FINRA regulated broker-dealer since November 15, 2011, 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 Shoemaker's registration with the Firm, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member and with failing to respond to FINRA Rule 8210 requests for information, documents, and on-the-record testimony during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

FIRST CAUSE OF ACTION
Misappropriation of Bank Customers' Funds
(FINRA Rule 2010)

6. The Department realleges and incorporates by reference paragraphs 1 to 5 above.
7. FINRA Rule 2010 requires that registered representatives observe "high standards of commercial honor and just and equitable principles of trade."
8. Between April 2011 and November 2011, Shoemaker provided confidential information regarding Bank customers to a third party who was not authorized to receive it. This unauthorized third party used the Bank customers' confidential information to fraudulently create debit cards for the customers' accounts and gave the debit cards to Shoemaker.
9. Shoemaker used the debit cards to make purchases and to obtain funds for the third party. The customers did not have knowledge of or authorize these transactions at the time that they were effected. Shoemaker misappropriated a total of \$5,375.72 from three Bank customers' accounts.
10. By virtue of the foregoing, Shoemaker misappropriated Bank customers' funds in violation of FINRA Rule 2010.

SECOND CAUSE OF ACTION
Failure to Comply with Requests for Information and Testimony
(FINRA Rules 8210 and 2010)

11. The Department realleges and incorporates by reference paragraphs 1 to 10 above.

12. FINRA Rule 8210(a) states that "For the purpose of an investigation, complaint, examination or proceeding authorized by the FINRA By-Laws or rules, an Adjudicator or FINRA staff shall have the right to: (1) 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 at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding..."

13. On January 5, 2012, FINRA staff sent a letter to Shoemaker, pursuant to FINRA Rule 8210, requesting information and documents concerning the circumstances of his termination (the "January 5 Letter"). The January 5 Letter was sent to Shoemaker's last known address, as reflected in the Central Registration Depository ("CRD address") via certified mail, return receipt requested and via first-class mail.

14. The copy of the January 5 Letter sent by first class mail was not returned. The return receipt for the January 5 Letter sent by certified mail states that the January 5 Letter was delivered. The return receipt was signed by Leona Shoemaker. The January 5 Letter required Shoemaker to provide the requested information by January 12, 2012. Shoemaker did not respond to the January 5 Letter.

15. On January 19, 2012, FINRA staff sent a second letter to Shoemaker, pursuant to FINRA Rule 8210, requesting information and documents concerning the circumstances of his termination (the "January 19 Letter"). The January 19 Letter was sent to Shoemaker at his CRD address via certified mail, return receipt requested and via first-class mail. The January 19 Letter stated that a failure to provide the requested information could result in a disciplinary action against Shoemaker.

16. The copy of the January 19 Letter sent by first class mail was not returned. The return receipt for the January 19 Letter sent by certified mail states that the January 19 Letter was delivered. The return receipt was signed by Leona Shoemaker. The January 19 Letter required Shoemaker to provide the requested information by January 30, 2012. Shoemaker did not respond to the January 19 Letter.

17. On May 31, 2012, FINRA staff sent a third letter to Shoemaker, pursuant to Rule 8210, requesting him to appear and testify on June 27, 2012 at FINRA's New York, NY offices (the "May 31 Letter"). The May 31 Letter was sent via certified mail, return receipt requested and via first-class mail to Shoemaker's CRD address, which does not contain an apartment number. The May 31 Letter stated that a failure to appear as requested could expose him to sanctions, including a permanent bar from the securities industry. The May 31 Letter sent by certified mail was returned to FINRA marked "Return to Sender- Unclaimed- Unable to Forward." The copy of the May 31 Letter sent via first class mail was returned to FINRA marked "Return to Sender- Not Deliverable As Addressed- Unable to Forward." Shoemaker failed to appear for testimony on June 27, 2012.

18. On July 13, 2012, FINRA staff sent a fourth letter to Shoemaker pursuant to Rule 8210, requesting him to appear and testify on August 10, 2012 at FINRA's New York, NY offices (the "July 13 Letter"). The July 13 Letter was sent via Federal Express and via first class mail to Shoemaker at his last known address, which is identical to Shoemaker's CRD address except that it contains an apartment number (the "last known address"). The July 13 Letter stated that a failure to appear as requested could expose Shoemaker to sanctions, including a permanent bar from the securities industry.

19. The July 13 Letter sent by Federal Express was delivered on July 17, 2012. The copy of the July 13 Letter sent by first class mail was not returned. Shoemaker failed to appear for testimony on August 10, 2012.

20. On January 14, 2013, FINRA Staff sent a fifth letter to Shoemaker requesting Shoemaker to appear and testify on February 13, 2013 at FINRA's New York, New York offices, pursuant to FINRA Rule 8210 (the "January 14 Letter"). The January 14 Letter was sent to Shoemaker via certified mail, return receipt requested and via first class mail to Shoemaker at his CRD address. A copy of the January 14 Letter was also sent to Shoemaker's last known address. The January 14 Letter stated that a failure to appear as requested could expose Shoemaker to sanctions, including a permanent bar from the securities industry.

21. FINRA staff received return receipts for the copies of the January 14 Letter that were sent certified mail, return receipt requested, which stated that the letters were delivered. The return receipts were signed by Leona Shoemaker. The copies of the January 14 Letter that were sent via first class mail were not returned to FINRA. Shoemaker failed to appear for testimony on February 13, 2013.

22. As of the date of this Complaint, Shoemaker has not provided testimony or documents to FINRA staff in response to any of the Rule 8210 requests described herein.

23. By virtue of the foregoing, Shoemaker violated 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 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 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: April 18, 2013

Susan Light \ RB

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