

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Richard Winsor Ohrn,
(CRD No. 5106991),

Respondent.

DISCIPLINARY PROCEEDING
NO. 2012030987301

Hearing Officer—AHP

AMENDED COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. During the period February to May 2011, Respondent Richard Ohrn converted a total of \$15,250 from two of his elderly customers at Chase Investment Services Corporation (“CISC”) who also were customers of the firm’s affiliated bank, JP Morgan Chase Bank, N.A. (“Chase Bank”). As a result of his misconduct, Ohrn violated FINRA Rules 2150(a) and 2010.

2. During the period January 2010 to May 2011, Ohrn forged or falsified the signatures of four CISC customers on nine separate documents. He then submitted the documents, or caused them to be submitted, to CISC or Chase Bank. As a result of these actions, Ohrn violated FINRA Rule 2010.

3. During the period January to March 2010, Ohrn caused the books and records of CISC to be false by intentionally changing the account address of record for three customers from their respective home addresses to the address of the CISC branch where Ohrn worked. As a result of these actions, Ohrn violated NASD Rule 3110(a) and FINRA Rule 2010.

4. In May 2012, Ohrn guaranteed one Wells Fargo Advisors, LLC (“WFA”) customer against a \$9,000 loss she incurred as a result of the early surrender of her variable annuity contract issued by Ohio National Life Insurance Company (“Ohio National”). As a result of this action, Ohrn violated FINRA Rules 2150(b) and 2010.

RESPONDENT AND JURISDICTION

5. Richard Ohrn was registered as a General Securities Representative with several FINRA member firms from February 2006 through August 2012. Ohrn was registered with CISC from July 2009 to June 2011. Ohrn joined WFA in June 2011 as a registered representative. WFA terminated Respondent Ohrn’s registration on August 31, 2012.

6. Although Ohrn 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) this Complaint was filed within two years after the effective date of termination of his registration with WFA, namely, August 31, 2012, and (2) this Complaint charges him with misconduct committed while he was registered or associated with FINRA members.

FIRST CAUSE OF ACTION Conversion (FINRA Rules 2150(a) and 2010)

7. Enforcement realleges and incorporates by reference paragraphs 1-6 above.

Customer M.C.

8. M.C., age 84, was Ohrn’s customer at CISC and also a customer of Chase Bank.

9. On April 25, 2011, M.C. instructed Ohrn to liquidate \$10,000 in mutual funds from M.C.’s CISC brokerage account.

10. Contrary to these instructions, on April 25, 2011, Ohrn sold \$16,000 in mutual fund shares in M.C.'s CISC brokerage account and transferred the proceeds to M.C.'s savings account at Chase Bank.

11. On May 3, 2011, Ohrn transferred \$4,000 back to M.C.'s CISC brokerage account from his Chase Bank savings account.

12. On the same day, Ohrn withdrew \$2,000 in cash from M.C.'s bank account. He did not return the funds to M.C.

13. Ohrn thereby converted \$2,000 from M.C.

Customer C.B.

14. C.B., a widow, age 83, was Ohrn's customer at CISC and also a customer of Chase Bank.

15. On February 23, 2011, Ohrn prepared and signed a form entitled "Traditional IRA Withdrawal Request" to withdraw \$13,250 from C.B.'s IRA.

16. On the same day, Ohrn withdrew \$6,450 in cash from C.B.'s bank account. He did not return the funds to C.B.

17. Later, on or about March 1, 2011, Ohrn forged C.B.'s signature on a Chase Bank withdrawal slip and withdrew \$6,800 in cash from C.B.'s bank account. He did not return the funds to C.B.

18. Ohrn thereby converted \$13,250 from C.B.

19. By his intentional and unauthorized taking of a total of \$15,250 from two CISC customers (\$2,000 from M.C. and \$13,250 from C.B.), Ohrn violated FINRA Rules 2150(a) and 2010.

SECOND CAUSE OF ACTION
Forgery/Falsification of Documents
(FINRA Rule 2010)

20. Enforcement realleges and incorporates by reference paragraphs 1-19 above.

21. Between January 2010 and May 2011, Ohrn forged or falsified the signatures of four Chase customers on a total of nine separate documents.

Customer M.C.

22. Ohrn assisted M.C. with the establishment of M.C.'s CISC brokerage account in March 2010.

23. While setting up M.C.'s CISC account, Ohrn forged or falsified M.C.'s signature on a CISC brokerage account document entitled "Investment Account Application," dated March 8, 2010.

24. Ohrn also forged or falsified M.C.'s signatures on two nearly identical CISC brokerage account documents entitled "Chase Personal Consultation Acknowledgment," both dated March 8, 2010.

25. At the same time, Ohrn forged or falsified M.C.'s signature on a CISC brokerage account document entitled "Transfer on Death Agreement," dated March 8, 2010.

26. On March 15, 2010, Ohrn forged or falsified M.C.'s signature on a CISC brokerage account document entitled "Bond Mutual Fund Disclosures."

27. Thus, Ohrn forged or falsified a total of five documents related to customer M.C.

Customer C.B.

28. As set forth above in paragraphs 14-19, Ohrn forged C.B.'s signature on a withdrawal slip which Ohrn used to convert \$6,800 on March 1, 2011 from C.B.'s Chase Bank account. Ohrn did not have C.B.'s authority to sign her name to the withdrawal slip.

Customer G.W.

29. Customer G.W., age 70, opened an investment account at CISC with Ohrn on January 9, 2010.

30. On or about January 15, 2010, Ohrn forged or falsified G.W.'s signature on a CISC "Banklink/Referenced Account Request" form, which caused G.W.'s CISC account to be linked to her Chase Bank account.

Customer J.L.

31. On December 28, 2010, customer J.L. and his wife M.L., ages 68 and 64, respectively, transferred four CISC accounts from a New York CISC office to a Florida CISC office to be serviced by Ohrn.

32. To authorize the transfer, J.L. executed a form document entitled "Rep Code Change Request." The form required a separate, signed authorization for the transfer of each account.

33. In the section of the form named "Reason for Change," J.L. handwritten: "I would like to switch my accounts to Richard Ohrn in Florida. I don't know or have ever met, Chris Figuccio in Port Washington, N.Y. Thanks, J.L."

34. Ohrn falsified J.L.'s signature and account transfer authorization by making two photocopies of the "Rep Code Change Request" form completed by J.L.

35. Ohrn then handwritten the account numbers for J.L.'s second and third CISC accounts on to the photocopies of the form completed by J.L.

36. Thus, Ohrn forged or falsified a total of two documents related to customer J.L.

37. As described above, Ohrn forged or falsified the signatures of four Chase customers on nine separate documents, all of which he submitted, or caused to be submitted, to CISC or Chase Bank. By forging or falsifying the documents and by submitting them to CISC and Chase Bank, Ohrn violated FINRA Rule 2010.

**THIRD CAUSE OF ACTION
Causing the Firm's Books and Records to be False
(NASD Rule 3110 and FINRA Rule 2010)**

38. Enforcement realleges and incorporates by reference paragraphs 1-37 above.

39. During the period January to March 2010, Ohrn falsified CISC records by changing the account address of record for three customers from their respective home addresses to the address of the CISC branch where Ohrn worked.

Customers M.C. and Z.C.

40. On March 8, 2010, customers M.C. and Z.C. opened a brokerage account with Ohrn at CISC.

41. The account opening documents correctly listed M.C. and Z.C.'s residential address as the address of record.

42. On March 9, 2010, Ohrn changed the account address of record for customers M.C. and Z.C. from their home address to the address of the CISC branch where Ohrn worked.

43. As a result of the falsification of CISC's account records, M.C. and Z.C. did not receive any account statements or trade confirmations from the time the account was opened until September 2011.

Customer E.B.

44. In January 2010, customer E.B., who was retired and 65 years old, opened a brokerage account at CISC with Ohrn.

45. Ohrn prepared E.B.'s account application by filling out a standard CISC form on his computer.

46. On the account application, Ohrn falsely listed the address of the CISC branch where Ohrn worked as E.B.'s residential address.

47. After Ohrn submitted the account application to CISC on E.B.'s behalf, the false address became a part of the books and records of the firm.

48. As a result of the falsification of CISC's account records, E.B. did not receive any account statements or trade confirmations from the time the account was opened until September 2011.

49. Therefore, Ohrn falsified CISC records by intentionally changing the account address of record for customers M.C. and Z.C. to the address of the CISC branch where Ohrn worked, and by falsely entering his CISC branch address as customer E.B.'s home address of record when E.B.'s account was opened. By causing CISC to maintain inaccurate books and records, Ohrn violated NASD Rule 3110(a) and FINRA Rule 2010.

**FOURTH CAUSE OF ACTION
Guaranteeing a Customer Against Loss
(FINRA Rules 2150(b) and 2010)**

50. Enforcement realleges and incorporates by reference paragraphs 1-49 above.

Customer S.H.

51. S.H., age 69, held an account at WFA and Ohrn was her registered representative. S.H. was also a customer of WFA's bank affiliate, Wells Fargo Bank, N.A. ("Wells Fargo Bank").

52. In April 2012, Ohrn recommended that S.H. surrender a variable annuity she purchased from Ohio National in June 2007. At the time, the variable annuity was subject to a

contingent deferred sales charge for early surrender. Ohrn completed the annuity surrender form for S.H and she surrendered the variable annuity.

53. As a result of the early surrender of the variable annuity, S.H. sustained a loss of approximately \$9,304 in fees charged against her account by Ohio National.

54. Ohrn thereafter reimbursed S.H. for most of the surrender charges. On or about May 4, 2012, he deposited a \$9,000 cashier's check into S.H.'s Wells Fargo Bank account. He thereby guaranteed S.H. against the loss she incurred for the early surrender of her Ohio National variable annuity.

55. By guaranteeing S.H. against the loss she incurred for the early surrender of her Ohio National variable annuity, Ohrn violated FINRA Rule 2150(b) and 2010.

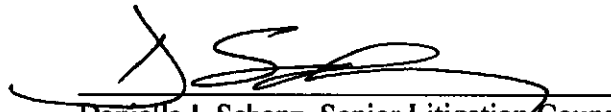
RELIEF REQUESTED

WHEREFORE, the Department of Enforcement 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) be imposed, including that Respondent be required to disgorge fully any and all ill-gotten gains, together with interest; and
- C. order that Respondent bears such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: December 30, 2014



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