

**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—KW

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: April 28, 2015

INTRODUCTION

Disciplinary Proceeding No. 2012030987301 was filed on August 22, 2014 and amended on December 30, 2014, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Richard W. Ohrn submitted an Offer of Settlement (Offer) to Complainant dated April 20, 2015. 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

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.

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.

FINDINGS AND CONCLUSIONS

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

SUMMARY

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.

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.

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.

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.

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

Customer M.C.

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

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

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.

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

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.

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

Customer C.B.

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

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

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.

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.

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

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)**

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.

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

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.

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.

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.

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

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

Customer C.B.

As set forth above, 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.

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

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.

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.

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.

In the section of the form named “Reason for Change,” J.L. handwrote: “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.”

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.

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

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

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)**

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.

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

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

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.

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.

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

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

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

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.

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.

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)**

Customer S.H.

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").

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.

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.

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.

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

Based on the foregoing, Respondent violated FINRA Rules 2150(a), 2150(b) and 2010 and NASD Rule 3110(a).

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

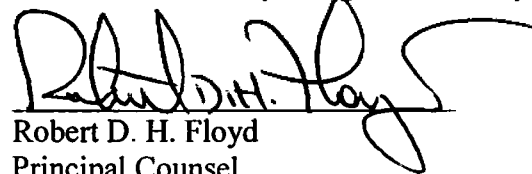
It is ordered that Respondent is barred from associating with any FINRA member in any capacity.

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 "Robert D. H. Floyd", is written over a horizontal line.

Robert D. H. Floyd

Principal Counsel

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