

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

BARRY MILINOVICH,
CRD No. 2873433,

Respondent.

DISCIPLINARY PROCEEDING
No. 2013038755801

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. On three instances between April and July 2013, Respondent Barry Milinovich made unauthorized withdrawals of funds from a customer of the bank at which he was employed, converting a total of \$10,100 from the customer. He also misused the funds of another bank customer to create the false appearance that he had restored the money to the first customer's account, and failed to appear for testimony when required to do so under FINRA Rule 8210. By virtue of this conduct, Milinovich violated FINRA Rules 2010 and 8210.

RESPONDENT AND JURISDICTION

2. Milinovich entered the securities industry in March 1997. He was registered with four member firms before joining PNC Investments in April 2011. Milinovich was registered with PNC Investments as a General Securities Representative and Investment Company/Variable Products Representative. He was contemporaneously employed as a Relationship Manager at a branch of PNC's Investment's banking affiliate.

3. PNC Investments terminated Milinovich's registration by filing a Form U5 on October 25, 2013 as a result of the misconduct described in the First Cause of Action below.

4. Although Respondent 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 Respondent's registration with PNC Investments, namely, October 25, 2013; and (2) the Complaint charges him with conduct that commenced prior to the termination of his registration and with failing to provide information requested while he remained subject to FINRA's jurisdiction.

FIRST CAUSE OF ACTION

Conversion and Related Misconduct (Violation of FINRA Rule 2010)

5. Enforcement realleges and incorporates by reference paragraphs 1-4 above.

6. On April 5, 2013, Milinovich made an unauthorized withdrawal of \$2,000 from the savings account of a customer of the bank branch at which he was employed, and converted the money he withdrew for his own use.

7. On June 6, 2013, Milinovich made an additional unauthorized withdrawal of \$4,100 from the savings account of the customer referred to in paragraph 6 above, and converted the money he withdrew for his own use.

8. On July 12, 2013, Milinovich made a third unauthorized withdrawal of \$4,000 from the savings account of the customer referred to in paragraph 6 above, and converted the money he withdrew for his own use.

9. Milinovich opened a new account for the customer on July 12, 2013, and closed the old account on August 2, 2013, after the customer had raised concerns about the balance in her

account. Milinovich then attempted to assuage the customer's concerns by pretending to deposit \$10,100 into her new account. In reality, he closed out the certificate of deposit owned by a second customer, opened a new account for a second customer, and deposited the proceeds of the certificate of deposit into that new account. He then showed the deposit slip to the first customer, falsely telling her that the money had been deposited into her account.

10. By virtue of converting the money he took from the first customer's account, Milinovich engaged in conduct inconsistent with just and equitable principles of trade and high standards of commercial honor, thereby violating FINRA Rule 2010.

11. By misusing the second customer's funds to cover up the conversion of the first customer's funds, Milinovich engaged in a further violation of FINRA Rule 2010.

SECOND CAUSE OF ACTION

Failure to Testify (Violation of FINRA Rules 8210 and 2010)

12. Enforcement realleges and incorporates by reference paragraphs 1-12 above.

13. On January 23, 2014, Enforcement sent Milinovich a letter requiring him to appear for testimony on February 6, 2014. The letter was sent to his address in FINRA's Central Registration Depository system by certified mail and regular mail.

14. The certified mailing was signed for by Milinovich on January 27, 2014, and the regular mailing has not been returned to Enforcement, indicating that he received both mailings.

15. Milinovich did not appear for testimony on February 6, 2014, or communicate with Enforcement in any way regarding his testimonial obligation.

16. Milinovich violated FINRA Rule 8210 by failing to appear and testify on February 6, 2014. In addition, he thereby failed to observe high standards of commercial honor and just and equitable principles of trade, violating FINRA Rule 2010.

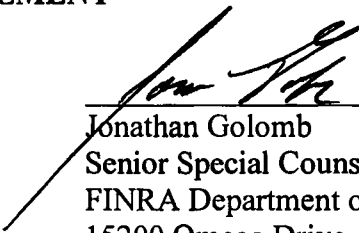
RELIEF REQUESTED

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) 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: March 19, 2014



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