

**NASD
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Cesar Roel Perez
CRD No. 3091992

Respondent.

Disciplinary Proceeding
No. C06050019

Hearing Officer:

COMPLAINT

Upon information and belief, Complainant alleges as follows:

1. Respondent Cesar Roel Perez ("Perez") entered the securities industry in July 1998, when he associated with NASD member firm Chase Securities Of Texas, Inc, which later became Chase Investment Services Corp. ("Chase"). He remained at Chase until April 2000, after which he registered with two more NASD member firms before leaving the industry on July 7, 2003. Although Perez is not currently registered with an NASD member, he remains subject to NASD jurisdiction pursuant to Article V, Section 4 of the Association's By-Laws, which provides for a two-year period of retained jurisdiction over formerly associated persons. Accordingly, NASD retains jurisdiction over Perez until July 6, 2005.

FIRST CAUSE OF COMPLAINT

Respondent Converted Customer Funds

(Violations of NASD Conduct Rules 2110 and 2330)

2. Paragraph number 1, above, is realleged and incorporated herein by reference.
3. During the period from May 2000 through July 2000, Perez converted at least \$125,000 from two customers who did not read, write or speak English by executing phony promissory notes and making unauthorized withdrawals from the customers' variable annuity accounts.
4. On or about May 15, 2000, Perez caused a promissory note, purportedly between customer RVO (lender) and himself (borrower), to be executed.
5. On the same date, Perez submitted a withdrawal form to Sun Life Assurance Company of Canada ("Sun Life"), for the withdrawal of \$50,000 from RVO's variable annuity account. The form directed that the withdrawn funds be wire transferred to ACP Builders, Inc., a company owned and controlled by Perez and his wife.
6. Ortiz' account was charged a surrender fee in the amount of \$913.40 in connection with the withdrawal.
7. RVO never agreed to loan money to Perez, had no knowledge of ACP Builders, Inc., and did not sign either the promissory note or the withdrawal form.
8. On or about July 5, 2000, Perez submitted a withdrawal form to Sun Life for the withdrawal of \$75,000 from customer AZA's account. The form directed that the withdrawn funds be wire transferred to ACP Builders, Inc.
9. On or about July 7, 2000, Perez caused a promissory note, purportedly between AZA (lender) and himself (borrower), to be executed.
10. AZA's account was charged a surrender fee in the amount of \$3,268.46 in connection with the withdrawal.

11. AZA never agreed to loan money to Perez, had no knowledge of ACP Builders, Inc., and did not sign either the promissory note or the withdrawal form.
12. Perez' actions were taken without customer RVO's and AZA's knowledge, authorization or consent.
13. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2330 by Cesar Roel Perez.

SECOND CAUSE OF COMPLAINT

Respondent Failed to Appear for On-The-Record Testimony

and to Respond to Requests For Information

(Violations of NASD Conduct Rules 2110 and 8210)

14. Paragraph numbers 1 through 13, above, is realleged and incorporated herein by reference.
15. By letter dated April 22, 2004, the staff requested, pursuant to Rule 8210, that Perez appear at the District Office and provide on-the-record testimony on May 20, 2004. The request was sent via first class regular and certified mail to his CRD address of record, [REDACTED] ("CRD address").
16. The letter sent via certified mail was returned to the District Office marked, "Returned To Sender" and "Unclaimed." The letter sent via regular mail was not returned to the District Office.
17. By letter dated January 19, 2005, the staff requested, pursuant to Rule 8210, that Perez provide information regarding, among other things, the activities alleged in the First Cause of Complaint. The staff requested a response by February 2, 2005. The January 19th letter was sent to Perez at his CRD address via first class regular and

certified mail. The certified receipt card was returned to the District Office signed by "CP." The letter sent via regular mail was not returned to the District Office.

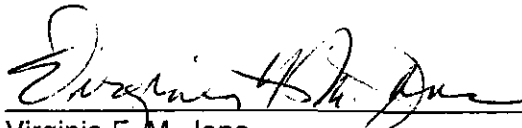
18. On February 11, 2005, the staff again requested, pursuant to Rule 8210, that Perez provide the information requested in the January 19th letter. A response was due by February 25, 2005. The letter was sent to Perez at his CRD address via first class regular and certified mail. Neither letter was returned to the District Office.
19. Perez never appeared for sworn testimony or responded to the staff's requests for information.
20. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and NASD Procedural Rule 8210 by Cesar Roel Perez.

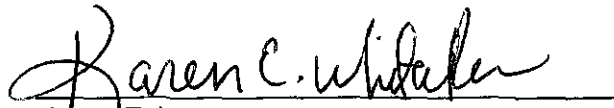
PRAYER FOR RELIEF

WHEREFORE, Complainant respectfully requests:

- A. Findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. An order imposing sanctions upon the Respondent in accordance with NASD Rule 8310.
- C. An order requiring Respondent to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest;
- D. An order imposing such costs of any proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330; and
- E. An order imposing any other fitting sanction.

June 24, 2005
Date


Virginia F. M. Jans
Associate Vice President and District Director
NASD, District 6
12801 North Central Expressway
Suite 1050
Dallas, TX 75243
972-701-8554



Karen E. Whitaker
Regional Counsel
NASD, District 6
12801 North Central Expressway
Suite 1050
Dallas, TX 75243
972-701-8554

Rory C. Flynn, Of Counsel
Department of Enforcement
NASD
1801 K Street, N.W., Suite 800
Washington, D.C. 20006
(202) 974-2874

Andrew A. Favret
Associate VP and Regional Chief Counsel
Department of Enforcement
NASD
1100 Poydras St., Suite 850
New Orleans, LA 70163
(504) 522-6527