

**NASD
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Cesar Roel Perez
CRD No. 3091992

Respondent.

Disciplinary Proceeding
No. C0620050019

Hearing Officer: SNB

**ORDER ACCEPTING
OFFER OF SETTLEMENT**

Date: August 21, 2006

INTRODUCTION

Disciplinary Proceeding No. C06050019 was filed on June 27, 2005, by the Department of Enforcement of NASD ("Complainant"). Respondent Cesar Roel Perez ("Respondent" or "Perez") submitted an Offer of Settlement ("Offer") to Complainant on August 10, 2006. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure 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 NASD, or to which NASD 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

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Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Respondent Cesar Roel 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. Perez has no prior disciplinary history

FINDINGS AND CONCLUSIONS

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

First Cause

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.

On or about May 15, 2000, Perez caused a promissory note, purportedly between customer RVO (lender) and himself (borrower), to be executed.

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. RVO's account was charged a surrender fee in the amount of \$913.40 in connection with the withdrawal.

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.

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.

On or about July 7, 2000, Perez caused a promissory note, purportedly between AZA (lender) and himself (borrower), to be executed. AZA's account was charged a surrender fee in the amount of \$3,268.46 in connection with the withdrawal.

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.

Perez' actions were taken without customer RVO's and AZA's knowledge, authorization or consent.

Second Cause

By letter dated April 22, 2004, NASD staff requested, pursuant to Rule 8210, that Perez appear at the Dallas 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"). The letter sent via certified mail was returned marked, "Returned To Sender" and "Unclaimed." The letter sent via regular mail was not returned.

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 signed by "CP." The letter sent via regular mail was not returned.

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.

Perez never appeared for sworn testimony or responded to the staff's requests for information.

Based on the foregoing, Respondent violated NASD Conduct Rules 2110 and 2330, as alleged in the First Cause of Complaint and NASD Conduct Rule 2110 and NASD Procedural Rule 8210, as alleged in the Second Cause of Complaint.

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 NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

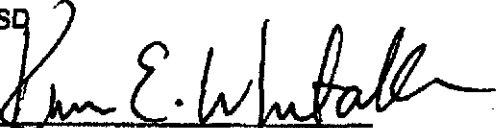
SANCTIONS

It is ordered that Respondent be barred from association with any NASD member in any capacity.

Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD

By: 

Karen E. Whitaker
Regional Counsel

on behalf of the Director of ODA, pursuant to
delegated authority