

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

vs.

MARYLAN TAYLOR
Registered Representative
(CRD No. 2263196),

Respondent.

**Disciplinary Proceeding
No. C8A050027**

Hearing Officer

COMPLAINT

Upon information and belief, Complainant alleges as follows:

1. Marylan Taylor ("Taylor") entered the securities industry in November 2000 as an Investment Company Products/Variable Contracts Representative with a member of NASD. On March 18, 2005, Taylor was terminated from an NASD member and is not currently associated with any member. Taylor was registered with an NASD member within two years of filing of this complaint, and therefore is, pursuant to Article V, Section 4 of the NASD's By-Laws, subject to the jurisdiction of the NASD.

**FIRST CAUSE FOR COMPLAINT
NASD Conduct Rule 2110
Falsification**

2. Paragraph number 1, above, is re-alleged and incorporated herein by reference.

3. On or about January 8, 2001, Taylor submitted a falsified certificate of completion of a continuing education course to the Kentucky Department of Insurance. The date of completion was altered.

4. On or about June 23, 2003, Taylor submitted a falsified insurance licensure document purportedly from the Kentucky Department of Insurance to the Ohio Department of Insurance. This document falsely stated Taylor's Kentucky insurance licenses were in good standing when in fact they were inactive due to her failure to complete continuing education.

5. The acts, practices and conduct described above constitute separate and distinct violations of NASD Conduct Rule 2110.

SECOND CAUSE FOR COMPLAINT
NASD Conduct Rule 2110
Falsification and Lack of Commercial Honor

6. Paragraphs number 1 through 5, above, is re-alleged and incorporated herein by reference

7. On or about February 25, 2003, public customer ES, an elderly widow, requested to change the beneficiary of an annuity policy to her daughter. Customer ES complied with Taylor's instructions to sign a blank beneficiary change request form. Outside the presence of customer ES, Taylor inserted her name and identifying information in the "Beneficiary Designation" section, and identified her relationship to customer ES as a "friend." Taylor also wrote that she was entitled to 100% of the proceeds of the annuity. Taylor made herself the beneficiary of customer ES' annuity without customer ES' consent or knowledge.

8. This conduct is a violation of NASD Conduct Rule 2110 by Taylor.

THIRD CAUSE FOR COMPLAINT
NASD Conduct Rule 2110 and IM 1000-1
Failure to File Amendments to Form U-4

9. Paragraphs number 1 through 8, above, are re-alleged and incorporated herein by reference.

10. On or about January 6, 2004, Taylor appeared in criminal court in response to a criminal summons (served upon her on December 4, 2003) that informed her that she was being charged with the felony of Forgery. Taylor willfully failed to disclose this material fact on a Uniform Application for Securities Industry Registration or Transfer ("Form U-4") within the requisite 30 days as specified in Article 5, Section 2 of NASD By-Laws. Specifically, Taylor willfully failed to update her response to question 14(A)(1)(b) of her Form U-4 to reflect that she was charged with the felony of Forgery in the State of Kentucky.

11. On or about August 24, 2004, Taylor appeared in a State of Ohio Department of Insurance proceeding in response to a Notice of Hearing (served upon her on June 2, 2004 via certified mail) that informed her that the State of Ohio initiated a proceeding that could result in findings that she made false statements or omissions or been dishonest, unfair or unethical. Taylor willfully failed to disclose this material fact on Form U-4 within the requisite 30 days as specified in Article 5, Section 2 of NASD By-Laws. Specifically, Taylor willfully failed to update her response to question 14(G)(1) of her Form U-4 to reflect that she was notified in writing that she was the subject of a proceeding that could potentially lead to a finding that she made false statements or omissions or been dishonest, unfair or unethical.

12. On or about December 28, 2004, Taylor appeared in criminal court in response to a criminal summons (served upon her on August 2, 2004) that informed her that she was being charged with the felony of Forgery. Taylor willfully failed to disclose this material fact on Form U-4 within the requisite 30 days as specified in Article 5, Section 2 of NASD By-Laws. Specifically, Taylor willfully failed to update her response to question 14(A)(1)(b) of her Form U-4 to reflect that she was charged with the felony of Forgery in the State of Kentucky.

13. The acts, practices and conduct described above constitute separate and distinct violations of NASD Conduct Rule 2110 and IM 1000-1 by Taylor.

FOURTH CAUSE FOR COMPLAINT
NASD Conduct Rule 2110 and NASD Procedural Rule 8210
Failure to Respond Truthfully to Requests for Information

14. Paragraphs number 1 through 13, above, are re-alleged and incorporated herein by reference.

15. On or about August 26, 2004, Taylor failed to testify truthfully during an NASD On-The-Record interview. Specifically, despite being served with a criminal summons for her second forgery case in Kentucky on August 2, 2004, Taylor testified there was no litigation pending against her. Further, Taylor testified that her Kentucky insurance licenses were still active, and that she was up to date with her Kentucky continuing education requirements, when in actuality, Taylor had not been compliant with these requirements since 2000.

16. This conduct is a violation of NASD Conduct Rule 2110 and Procedural Rule 8210 by Taylor.

PRAYER FOR RELIEF

WHEREFORE, Complainant respectfully requests:

- A. Findings of fact and conclusions of law that Respondent Taylor committed the violations charged and alleged herein;
- B. An order imposing sanctions upon Respondent Taylor in accordance with NASD Rule 8310.
- C. An order imposing such costs of any proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330; and
- D. An order imposing any other fitting sanction.

4.25.05

Date

Carlotta A. Romano EAW

Carlotta A. Romano
Senior Vice President and Regional Director
NASD, District 8



UnBo Chung
Senior Regional Attorney
NASD, District 8
55 West Monroe Street, 27th Floor
Chicago, IL 60603-5052
(312) 899-4641

Of Counsel:

Rory C. Flynn, Esq.
Department of Enforcement
NASD
1801 K Street, N.W., Suite 800
Washington, D.C. 20006

Mark A. Koerner, Esq.
Department of Enforcement
NASD
55 West Monroe, Suite 2700
Chicago, IL 60603