

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT	:	
	:	
Complainant	:	Disciplinary Proceeding
	:	No. C9A050034
v.	:	
	:	Hearing Officer—
RONALD C. CROCKETT JR.	:	
CRD No. 1682593	:	
	:	
Respondent	:	
	:	
	:	

COMPLAINT

Complainant, upon information and belief, alleges that:

1. Ronald C. Crockett Jr. entered the securities industry in 1990 as a Representative of a member of NASD. He was last associated with American Express Financial Advisors Inc. ("AEFA") from July 2, 1999 to May 7, 2003. Since then, he has not been associated with any member, nor registered with NASD in any capacity.
2. NASD retains jurisdiction over Ronald C. Crockett Jr. until at least December 18, 2005 pursuant to Article V, Section 4(a)(i) of the NASD By-Laws. The Notice of Termination (Form U5) which was filed for Ronald C. Crockett Jr. by AEFA on May 21, 2003 was

substantively amended on thirteen dates ranging from May 23, 2003 to August 12, 2004, and the last new customer complaint was disclosed on the amendment filed December 19, 2003.

FIRST CAUSE OF COMPLAINT

NASD Conduct Rule 2110 Unauthorized Transactions and Forgery

3. Paragraphs 1 and 2, above, are realleged and incorporated herein by reference.
4. W.M. was a public customer who maintained a securities account with AEFA for which Ronald C. Crockett Jr. was the Representative.
5. Ronald C. Crockett Jr., acting without the prior authorization or consent of W.M., caused the following securities transactions to be effected in his IRA account with AEFA:

<u>Date</u>	<u>Sell/Buy</u>	<u>Security</u>	<u>Amount</u>
9/25/02	S	AXP Blue Chip Advantage	\$19,214.02
9/25/02	S	AXP Bond Fund	\$68,945.13
9/25/02	S	AXP Discovery Fund	\$9,694.92
9/25/02	S	AXP Diversified Equity Inc.	\$10,232.35
9/25/02	S	AXP Equity Select Fund	\$1,876.21
9/25/02	S	AXP Equity Value Fund	\$9,952.46
9/25/02	S	AXP Extra Income Fund	\$47,805.29
9/25/02	S	AXP Federal Income Fund	\$2,826.50
9/25/02	S	AXP Global Bond Fund	\$70,300.88
9/25/02	S	AXP Global Growth Fund	\$17,635.07
9/25/02	S	AXP International Fund	\$7,498.17
9/25/02	S	AXP Managed Allocation	\$12,830.66
9/25/02	S	AXP New Dimensions Fund	\$46,637.29
9/25/02	S	AXP Progressive Fund	\$10,306.86
9/25/02	S	AXP Small Company Index	\$24,998.43
9/25/02	S	AXP Strategy Aggressive	\$6,233.60

<u>Date</u>	<u>Sell/Buy</u>	<u>Security</u>	<u>Amount</u>
9/25/02	S	AXP Utilities Fund	\$3,483.20
10/1/02	B	Lib Quality Plus Bond	\$113,467.00
10/1/02	B	MFS Bond Fund	\$104,389.00
10/1/02	B	OPP US Govt Trust	\$68,000.00
10/1/02	B	Pimco Total Return	\$86,225.00
10/1/02	B	VK US Government	\$81,696.00

6. On or about September 18, 2002, Ronald C. Crockett Jr. affixed or caused to be affixed to an AEFA brokerage account agreement a signature purporting to be that of W.M., without his authorization or consent.

7. E.R. was a public customer who maintained securities accounts with AEFA for which Ronald C. Crockett Jr. was the Representative.

8. Ronald C. Crockett Jr., acting without the prior authorization or consent of E.R., caused the following securities transactions to be effected in his IRA accounts with AEFA:

<u>Date</u>	<u>Sell/Buy</u>	<u>Security</u>	<u>Amount</u>
6/7/02	S	AXP Bond Fund	\$23,857.92
6/7/02	S	AXP Diversified Equity	\$8,105.83
6/7/02	S	AXP Extra Income Fund	\$6,295.43
6/7/02	S	AXP Extra Income Fund	\$13,134.69
6/7/02	S	AXP Federal Income	\$5,685.04
6/7/02	S	AXP Federal Income Fund	\$8,716.99
6/7/02	S	AXP Global Bond Fund	\$5,829.62
6/7/02	S	AXP Global Growth Fund	\$5,694.57
6/7/02	S	AXP Mutual	\$10,880.40

9. B.C. was a public customer who maintained a securities account with AEFA for which Ronald C. Crockett Jr. was the Representative.

10. Ronald C. Crockett Jr., acting without the prior authorization or consent of B.C., caused the following securities transactions to be effected in his IRA account with AEFA:

<u>Date</u>	<u>Sell/Buy</u>	<u>Security</u>	<u>Amount</u>
9/26/02	S	AXP Utilities Fund	\$12,616.37
9/26/02	S	AXP Strategy Aggressive	\$3,878.44
9/26/02	S	AXP New Dimensions Fund	\$11,591.17
9/26/02	S	AXP Growth Fund	\$5,642.44
9/26/02	S	AXP Equity Select Fund	\$15,616.29
9/26/02	S	AXP Blue Chip Advantage	\$8,265.16
10/1/02	B	VK US Govt	\$21,015.00
10/1/02	B	VK US Govt	\$29,900.00
10/1/02	B	Pimco Total Return	\$7,880.00
10/1/02	B	Pimco Total Return	\$11,100.00
10/1/02	B	OPP US Govt Trust	\$7,000.00
10/1/02	B	OPP US Govt Trust	\$10,000.00
10/1/02	B	Dreyfus Prem Core Bond	\$14,440.00
10/1/02	B	Dreyfus Prem Bond Fund	\$21,015.00
10/1/02	B	AIM Muni Bond	\$19,264.00
10/1/02	B	AIM Muni Bond	\$24,440.00
10/1/02	S	OPP Global Growth & Income	\$9,570.11
10/1/02	S	Franklin Small-Mid Cap Grow	\$428.70
10/1/02	S	Franklin Small Cap Growth II	\$1,608.28
10/1/02	S	Alliance Balanced Shares	\$9,317.72
10/1/02	S	AIM Premier Equity	\$13,625.30
10/1/02	S	AIM Charter	\$8,106.64
10/4/02	S	AXP Strategy Aggressive	\$2,776.03
10/7/02	S	Janus Worldwide	\$7,794.17
10/7/02	S	ING Int'l Smallcap Growth	\$2,436.73
10/7/02	S	AXP New Dimensions	\$9,660.18
10/9/02	S	Putnam New Opportunities	\$7,886.58
10/9/02	S	Putnam Int'l Growth	\$10,898.71
10/9/02	S	OPP Quest Bal Value	\$12,813.45
10/9/02	S	Franklin Balance Sheet	\$7,483.32

11. The aforesaid conduct constitutes violations by Respondent Ronald C. Crockett Jr. of NASD Conduct Rule 2110.

SECOND CAUSE OF COMPLAINT

NASD Conduct Rule 2110 and Procedural Rule 8210 Failure to Comply With Requests for Information

12. Paragraphs 1 and 2, above, are realleged and incorporated herein by reference.

Sources of Addresses to Which Mailings Were Sent

13. The residential address maintained by the Central Registration Depository ("CRD") for Respondent Ronald C. Crockett Jr. is [REDACTED]

14. The address of [REDACTED] was obtained from three sources: (1) an internet web site search conducted on May 10, 2004; (2) as a forwarding address appearing on the returned delivery receipt card ("green card") for the September 25, 2003 mailing; and (3) on a search report from a commercial data base search conducted on September 25, 2003.

15. The address of [REDACTED] was obtained from the search report from a commercial data base search conducted on May 10, 2004.

16. The address of [REDACTED] was obtained from Respondent's letter of October 8, 2003 to an NASD staff examiner.

17. The address of [REDACTED] was obtained from the returned mailings of May 11, 2004 sent to the Hatboro, Pennsylvania addresses.

Mailings of April 27, 2004

18. On or about April 27, 2004, the staff of NASD sent written notices to Ronald C. Crockett Jr. pursuant to NASD Procedural Rule 8210 requiring him, by May 11, 2004, to provide information concerning nine customer complaints which had been made against him, alleging unauthorized transactions and unsuitable recommendations. The notices stated that they were made pursuant to NASD Procedural Rule 8210, enclosed a copy of that Rule, and warned that failure to comply could result in disciplinary action.

19. The notices were sent both by certified and by first class mail to the CRD residential address of [REDACTED] and to [REDACTED]. [REDACTED] The certified mailing and the first class mailing sent to the Bridle Lane address were both returned to the District Office marked "moved left no address." A delivery receipt signed by Respondent for the certified mailing sent to the [REDACTED] address reflects that it was delivered on May 1, 2004. The first class mailing sent to that address was not returned to the District Office.

20. Ronald C. Crockett Jr. failed to provide the information requested from him pursuant to NASD Procedural Rule 8210.

Mailings of May 11, 2004

21. On or about May 11, 2004, the staff of NASD sent written notices to Ronald C. Crockett Jr. pursuant to NASD Procedural Rule 8210 requiring him, by May 25, 2004, to provide information concerning customer complaints which had first been requested from him on April 27, 2004. The notices stated that they were made pursuant to NASD Procedural Rule 8210, enclosed a copy of that Rule, and warned that failure to comply could result in disciplinary action.
22. The notices were sent by both certified and by first class mail to: (1) the CRD residential address of [REDACTED] (2) [REDACTED]
[REDACTED] (3) [REDACTED]
[REDACTED] and (4) [REDACTED]
[REDACTED]
23. Both the certified and the first class mailings sent to the Bridle Lane address were returned to the District Office marked "moved left no address." Both the certified and the first class mailings sent to the Heather Court address were returned to the District Office marked "not deliverable as addressed, unable to forward" and the certified mailing was additionally marked "FOE" to indicate "forwarding order expired." Both of the certified mailings addressed to [REDACTED] and to [REDACTED]
[REDACTED] were returned to the District Office marked "attempted not known" and bore a forwarding address of [REDACTED]

New City, New York 10956. Neither of the first class mailings sent to those two addresses were returned to the District Office.

24. Ronald C. Crockett Jr. failed to provide the information requested from him pursuant to NASD Procedural Rule 8210.

Mailings of May 25, 2004

25. On or about May 25, 2004, the staff of NASD sent written notices to Ronald C. Crockett Jr. pursuant to NASD Procedural Rule 8210 requiring him, by June 8, 2004, to provide information concerning customer complaints which had first been requested on April 27, 2004. The notices stated that they were made pursuant to NASD Procedural Rule 8210, enclosed a copy of that Rule, and warned that failure to comply could result in disciplinary action.

26. The notices were sent by both certified and by first class mail to: (1) the CRD residential address of [REDACTED] (2) [REDACTED]
[REDACTED] (3) [REDACTED]
[REDACTED] (4) [REDACTED]
and (5) [REDACTED]

27. Both the certified and the first class mailings sent to the Bridle Lane address were returned to the District Office marked "moved left no address." Both the certified and the first class

mailings sent to the Heather Court address were returned to the District Office marked "not deliverable as addressed, unable to forward" and the first class mailing was additionally marked "FOE" to indicate "forwarding order expired." Certified mail delivery receipts signed "J. Slusz Jr." reflecting delivery on June 1, 2004 were received for both of the certified mailings addressed to [REDACTED] and to [REDACTED]

[REDACTED] Neither of the first class mailings sent to those addresses were returned to the District Office. A certified mail delivery receipt dated May 27, 2004 signed "Sergio Ventore" was received for the certified mailing sent to [REDACTED] The first class mailing sent to that address was not returned to the District Office.

28. Ronald C. Crockett Jr. failed to provide the information requested from him pursuant to NASD Procedural Rule 8210.

Mailings of June 8, 2004

29. On or about June 8, 2004, the staff of NASD sent written notices to Ronald C. Crockett Jr. pursuant to NASD Procedural Rule 8210 requiring him, by June 22, 2004, to provide information concerning customer complaints which had first been requested on April 27, 2004. The notices stated that they were made pursuant to NASD Procedural Rule 8210, enclosed a copy of that Rule, and warned that failure to comply could result in disciplinary action.

30. The notices were sent by both certified and by first class mail to: (1) the CRD residential address of [REDACTED] (2) [REDACTED]
[REDACTED] (3) [REDACTED]
[REDACTED] (4) [REDACTED]
and (5) [REDACTED]

31. The certified mailing sent to the Bridle Lane address was not returned to the District Office, nor was a delivery receipt received for it. The first class mailing to the Bridle Lane address was returned to the District Office marked "moved left no address." Both the certified and the first class mailings sent to the Heather Court address were returned to the District Office marked "not deliverable as addressed, unable to forward" and the certified mailing was additionally marked "FOE" to indicate "forwarding order expired." The certified mailing sent to [REDACTED] was forwarded to [REDACTED]
[REDACTED] and then returned to the District Office. The first class mailing sent to that address was not returned to the District Office. The certified mailing sent to [REDACTED] was forwarded to [REDACTED] and a delivery receipt signed by "Sergio Ventore" reflects its delivery to that address. The first class mailing sent to that address was not returned to the District Office. The certified mailing sent to [REDACTED]
[REDACTED] was delivered at that address on June 17, 2004 according to the delivery receipt signed by "J. Slusz Jr." The first class mailing sent to that address was not returned to the District Office.

32. Ronald C. Crockett Jr. failed to provide the information requested from him pursuant to NASD Procedural Rule 8210.

Mailings of June 23, 2004

33. On or about June 23, 2004, the staff of NASD sent written notices to Ronald C. Crockett Jr. pursuant to NASD Procedural Rule 8210 requiring him, by July 7, 2004, to provide information concerning customer complaints which had first been requested on April 27, 2004. The notices stated that they were made pursuant to NASD Procedural Rule 8210, enclosed a copy of that Rule, and warned that failure to comply could result in disciplinary action.

34. The notices were sent by both certified and by first class mail to: (1) the CRD residential address of [REDACTED] (2) [REDACTED]
[REDACTED] (3) [REDACTED]
[REDACTED] (4) [REDACTED]
and (5) [REDACTED]

35. Both the certified and the first class mailings sent to the Bridle Lane address were returned to the District Office marked "moved left no address." Both the certified and the first class mailings sent to the Heather Court address were returned to the District Office marked "not deliverable as addressed, unable to forward" and the certified mailing was additionally marked "FOE" to indicate "forwarding order expired." For both the certified and the first

class mailings sent to the [REDACTED]
[REDACTED] and the [REDACTED]
[REDACTED] addresses, none of the mailings were returned to the District Office, nor were any delivery receipts received.

36. Ronald C. Crockett Jr. failed to provide the information requested from him pursuant to NASD Procedural Rule 8210.

37. The aforesaid failures to provide information constitute violations by Ronald C. Crockett Jr. of NASD Conduct Rule 2110 and Procedural Rule 8210.

PRAYER FOR RELIEF

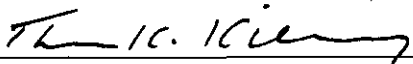
WHEREFORE, Complainant respectfully requests:

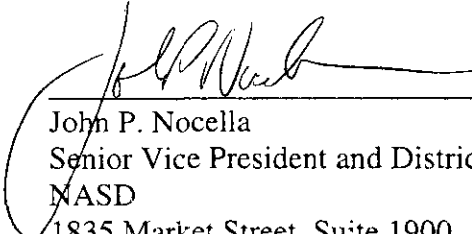
- A. Findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. An order imposing sanctions upon the Respondent in accordance with NASD Rule 8310;
- C. An order imposing such costs of any proceeding as are deemed fair and appropriate under the circumstances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

D. An order imposing any other fitting sanction.

DEPARTMENT OF ENFORCEMENT

By:


Thomas K. Kilkenny, Regional Counsel
NASD
1835 Market Street, Suite 1900
Philadelphia, Pennsylvania 19103
Phone (215) 665-1180
Fax (215) 496-0434


John P. Nocella
Senior Vice President and District Director
NASD
1835 Market Street, Suite 1900
Philadelphia, Pennsylvania 19103

Of Counsel: Rory C. Flynn, Esq.
Department of Enforcement
NASD
1801 K Street, N.W., Suite 800
Washington, D.C. 20006
Phone (202) 974-2974
Fax (202) 974-2805

John M. D'Amico, Esq.
NASD
99 High Street, Suite 900
Boston, Massachusetts 02110
Phone (617) 532-3428
Fax (202) 721-6583

Dated: June 23, 2005