

**NASD  
OFFICE OF HEARING OFFICERS**

Department of Enforcement,  
  
Complainant

v.

**Nora L. Newell,**  
General Securities Representative  
[CRD No. 1765390]

Respondent

Disciplinary Proceeding  
No. E052004024601

Hearing Officer : \_\_\_\_\_

**COMPLAINT**

Upon information and belief, Complainant alleges as follows:

1. Nora L. Newell ("Newell") became registered on April 19, 1988 as a General Securities Representative of member firm Ameriprise Financial Services, Inc., and later became associated with The Concord Equity Group, LLC. Newell was registered with First Montauk Securities Corp during the period of the events at issue and until her termination on December 31, 2003. First Montauk Securities Corp. filed a Uniform Termination Notice for Securities Industry Registration ("Form U-5") on February 18, 2004 which disclosed the subject conduct. Although Newell is not currently registered, she remains subject to the jurisdiction of NASD, pursuant to Article V, Section 4 of NASD's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons. Based on the filing date of the Form U-5, NASD retains jurisdiction over Newell until February 17, 2006.

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Rev 07/12/02

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FIRST CAUSE OF COMPLAINT  
NASD Conduct Rules 2110 and 2310(a), Unsuitable Recommendations and Transactions,  
Against Respondent Newell

2. During the period from on or about March 7, 2003, through on or about July 11, 2003, Nora L Newell, borrowed funds in the amounts of \$15,000.00 and \$30,000.00 from public customers RP and KT, respectively. To fund these loans, Newell recommended and executed the liquidation of various mutual fund holdings in the accounts of RP and KT for the purpose of funding the two loans.
3. Newell falsely represented to RP and KT that the funds would be used by Newell for real estate investments to be owned by Newell. Newell also represented that she would pay the loan with interest at the rate of 15% per annum.
4. Newell has never made any payment of principal or interest on the loans.
5. Newell did not have reasonable grounds for believing that the recommendation to liquidate and the resultant mutual fund sale transactions were suitable for the customers on the basis of the customers' financial situation, investment objectives or needs.
6. Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2310(a) by Respondent Nora L. Newell.

SECOND CAUSE OF COMPLAINT  
NASD Conduct Rule 2110 and Procedural Rule 8210,  
Failure to Respond to Requests for Information, Against Respondent Newell

7. By letters dated December 20, 2004, January 5, 2005, and January 24, 2005, the NASD District staff requested that Newell provide certain information to the staff concerning the activities described in the First Cause of Complaint. These requests for information were sent pursuant to, and in accordance with, the provisions of Procedural Rule 8210, all as more fully detailed on Exhibit "A," attached hereto.
8. Respondent Newell failed to respond to the above requests.
9. Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and Procedural Rule 8210 by Respondent Nora L. Newell.

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 non-monetary sanctions upon the Respondent in accordance with NASD Rule 8310;
- C. An order imposing any other fitting sanction.

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Date: February 15, 2006

**NASD Senior Vice President and  
Regional Director**

Warren A. Butler, Jr.  
NASD, District No. 5  
1100 Poydras Street, Suite 850  
New Orleans, Louisiana 70163-0802  
Phone: 504/522-6527

**NASD DEPARTMENT OF ENFORCEMENT**

  
Ralph J. Veth, Regional Counsel  
Andrew A. Favret, Associate Vice President  
and Regional Chief Counsel  
NASD, District No. 5  
1100 Poydras Street, Suite 850  
New Orleans, Louisiana 70163-0802  
Phone: 504/52-6527 Fax: 504-522-4077

**Of Counsel**

Rory C. Flynn, Of Counsel  
NASD Department of Enforcement  
1801 K Street, N.W., Suite 800  
Washington, D.C. 20006  
Phone: 202/974-2974; Fax: 202/721-8318

Roger D. Hogoboom, Of Counsel  
NASD Department of Enforcement  
370 17<sup>th</sup> Street, Suite 2900  
Denver, CO 80202  
303/446-3114; Fax: 303/620-9540

# SCHEDULE OF THE STAFF'S ATTEMPTS TO CONTACT NORA L. NEWELL

| <u>DATE SENT</u> | <u>ADDRESS</u> | <u>SOURCE</u> | <u>METHOD</u>                                             | <u>INFORMATION REQUESTED</u>                                                                                 | <u>DATE</u> |
|------------------|----------------|---------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------|
| 20-Dec-04        |                | CRD           | Certified & Regular Mail<br>No.: 7003 2260 0000 0107 6967 | Provide detailed response regarding Promissory Notes and loans from customers; real estate investments; .... | 4-Jan       |
| 5-Jan-05         |                | CRD           | Certified & Regular Mail<br>No.: 7003 3110 0000 2619 5899 | Provide detailed response regarding Promissory Notes and loans from customers; real estate investments; .... | 20-Jan      |
| 24-Jan-05        |                | CRD           | Certified & Regular Mail<br>No.: 7003 3110 0000 2619 6001 | Provide detailed response regarding Promissory Notes and loans from customers; real estate investments; .... | 7-Feb       |