

**NASD REGULATION, INC.
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant

vs.

DONALD S. HUFFMAN
Limited Registered Representative
(CRD No. 4449502)

Respondent

**Disciplinary Proceeding
No. E8A2004067501**

Hearing Officer

COMPLAINT

Upon information and belief, Complainant alleges as follows:

1. From on or about September 17, 2001 to on or about June 4, 2004, Donald S. Huffman ("Respondent Huffman") was registered as an Investment Company and Variable Contracts Products Representative with Farmers' Financial Solutions, LLC ("Member"), a member of NASD. From on or about September 9, 2004 to on or about January 21, 2005, Respondent Huffman was registered in the same capacity with Charter One Securities, Inc. ("Charter One"), another member of the NASD. Respondent Huffman is not currently registered with any member of NASD. Since this Complaint is filed within two years of the termination of Respondent Huffman's registration with the Member and Charter One, Respondent Huffman is subject to the jurisdiction of NASD, pursuant to Article V, Section 4 of the NASD's By-Laws.

FIRST CAUSE FOR COMPLAINT

Conduct Rule 2110 by Respondent Huffman - Misuse of Customers' Funds by Respondent Huffman.

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

**COMPLAINT IN DISCIPLINARY
PROCEEDING No. E8A2004067501**

3. From on or about December 1, 2003 to on or about May 18, 2004, MM, a member of the public, gave Respondent Huffman six checks in the amounts of \$1,500, \$250, \$1,700, \$500, \$1,000 and \$550 with instructions to use the funds for the purchase of insurance through the Member on four automobiles, a warehouse for MM's business, trucks for MM's business and short term medical coverage. Huffman failed to follow these instructions and used MM's funds for some purpose other than the benefit of MM.

4. On or about December 11, 2003, WH&EH, members of the public, gave Respondent Huffman a check for \$100 with instructions to use the funds for the purchase of insurance through the Member, but Respondent Huffman failed to follow these instructions and used WH&EH's funds for some purpose other than the benefit of WH&EH.

5. The acts, practices and conduct set forth above constitute separate and distinct violations of NASD Conduct Rule 2110 by Respondent Huffman.

**SECOND CAUSE FOR COMPLAINT
Conduct Rule 2110 by Respondent Huffman - Issuing a Fictitious Proof of Insurance
Statement by Respondent Huffman.**

6. Paragraph numbers 1 through 5 above are re-alleged and incorporated herein by reference as paragraph 6.

7. In December 2003, Huffman created and gave MW, a member of the public, an Evidence of Insurance Form, which represented that MW's unoccupied house was insured, when in fact there was no insurance on the house.

8. The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by Respondent Huffman.

PRAYER FOR RELIEF

WHEREFORE, Complainant respectfully requests:

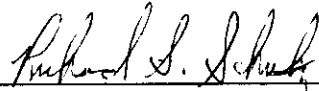
- A. Findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. An order imposing sanctions upon the Respondent in accordance with NASD Rule 8310;
- C. An order imposing such costs of any proceeding as are deemed fair and appropriate under the circumstances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

**COMPLAINT IN DISCIPLINARY
PROCEEDING No. E8A2004067501**

D. An order imposing any other fitting sanction.

NASD DEPARTMENT OF ENFORCEMENT

February 6, 2006
Date


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