

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

GREGORY J. OELERICH
(CRD No. 5832683),

Respondent.

Disciplinary Proceeding
No. 2014039764901

Hearing Officer—KBW

DEFAULT DECISION

October 29, 2014

Respondent is barred from associating with any member firm in any capacity for converting \$1,212 by using colleagues' credit cards without authorization in violation FINRA Rule 2010.

Appearances

Kelly A. McCormick, Rockville, Maryland, for the Department of Enforcement.

No appearance by or on behalf of Gregory J. Oelerich.

DECISION

I. Introduction

The FINRA Department of Enforcement filed the attached Complaint with the Office of Hearing Officers on June 17, 2014. The Complaint alleges that Respondent Gregory J. Oelerich ("Oelerich") converted \$1,212 by taking the credit cards of two colleagues without permission and using those cards to make unauthorized purchases. Enforcement served Oelerich with the Complaint in accordance with FINRA's Code of Procedure, and Oelerich failed to file an Answer. Accordingly, on September 8, 2014, Enforcement filed a Motion for Entry of Default and Imposition of Sanctions (the "Default Motion") together with a Memorandum of Law, the declaration of Kelly A. McCormick in support of the Default Motion ("McCormick Decl."), and

four exhibits marked C1 to C4. Enforcement requests that Oelerich be barred from associating with any member firm in any capacity.¹

For the reasons set forth below, the Hearing Officer finds Oelerich in default, grants Enforcement's Default Motion, and deems the allegations of the Complaint admitted, pursuant to FINRA Rules 9215(f) and 9269(a).

II. Findings of Fact and Conclusions of Law

A. Oelerich's Background

Oelerich entered the securities industry in August 2010 as an associated person of Northwestern Mutual Investment Services, LLC ("Northwestern Mutual" or the "Firm"). He became registered as an Investment Company Products and Variable Contracts Limited Representative in October 2010. He later became registered as a State Securities Agent in November 2010 and a General Securities Representative in September 2013.² Northwestern Mutual terminated Oelerich's employment on December 6, 2013.³ Northwestern Mutual filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") with FINRA on December 10, 2013, that described Oelerich's termination as "voluntary."⁴ On January 3, 2014, Northwestern Mutual filed an amended Form U5 reporting that the Firm had terminated Oelerich's employment "after he admitted to having used another financial representative's credit card to make unauthorized purchases."⁵ Oelerich has remained unregistered and has not re-associated with a FINRA member firm.

¹ Enforcement did not seek restitution because the colleagues have been made whole or are expected to be made whole by the relevant credit card company. McCormick Decl., at 5 n.7.

² McCormick Decl. ¶ 4.

³ McCormick Decl. ¶ 5.

⁴ McCormick Decl. ¶ 5.

⁵ McCormick Decl. ¶ 5.

B. FINRA's Jurisdiction

FINRA has jurisdiction over this disciplinary proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) Enforcement filed the Complaint with the Office of Hearing Officers on June 17, 2014, which is within two years of Northwestern Mutual's termination of Oelerich's association with the Firm on December 6, 2013; and (2) the Complaint alleges that Oelerich engaged in misconduct during the period when he was associated with Northwestern Mutual.⁶

C. Origin of the Investigation

Enforcement commenced an investigation of Oelerich after Northwestern Mutual filed the amended Form U5.⁷ Enforcement's investigation led to the filing of the Complaint in this matter.⁸

D. Oelerich's Default

Attorney Ken Sipsma represented to Enforcement that he was authorized to accept service and agreed to accept service of the Complaint on Oelerich's behalf.⁹ On June 17, 2014, Enforcement served the Complaint and Notice of Complaint (collectively, the "First Notice") by certified mail and email on Oelerich care of Sipsma.¹⁰ The Notice of Complaint stated that the Answer was due by July 15, 2014.¹¹ Sipsma received the certified mail copy of the First Notice,

⁶ See Article V, Section 4(a). FINRA's By-Laws and Rules are available at <http://finra.complinet.com/>.

⁷ McCormick Decl. ¶ 8.

⁸ McCormick Decl. ¶ 9.

⁹ McCormick Decl. ¶ 10.

¹⁰ McCormick Decl. ¶ 13; C2.

¹¹ McCormick Decl. ¶ 13.

as evidenced by the return receipt signed by Jennifer Morris and returned to Enforcement.¹²

Oelerich did not file an answer on or before July 15, 2014.¹³

On July 21, 2014, Enforcement sent a Second Notice of Complaint (with copies of the Complaint and Notice of Complaint)(collectively, the “Second Notice”) by certified mail and email on Oelerich care of Sipsma.¹⁴ The Second Notice stated that the Answer was due by August 7, 2014. On August 7, 2014, Sipsma sent an email to Enforcement stating, “Please take notice Gregory Oelerich does not wish to contest the allegations in the Complaint. Thank you.”¹⁵ Oelerich did not file an Answer to the Complaint.

The Hearing Officer finds that Enforcement properly served Oelerich with a copy of the Complaint and Oelerich received valid notice of this disciplinary proceeding. Further, the Hearing Officer finds that Oelerich defaulted by failing to file an Answer to the Complaint. Accordingly, the Hearing Officer deems the allegations in the attached Complaint admitted pursuant to Rules 9215(f) and 9269(a).

E. Facts

1. Oelerich’s Unauthorized Use of JS’s Credit Card

Between October 2013 and November 2013 (“the relevant period”), Oelerich and JS both worked at a Northwestern Mutual’s branch office. JS kept a credit card in her desk draw, which she used to pay business expenses. Oelerich was not authorized to use this credit card. On five weekends between October 5, 2013 and November 16, 2013, Oelerich entered the branch office and removed the credit card from JS’s desk. Oelerich used the card to make 17 unauthorized

¹² McCormick Decl. ¶ 13.

¹³ McCormick Decl. ¶ 14.

¹⁴ McCormick Decl. ¶ 15.

¹⁵ McCormick Decl. ¶ 16; C4.

personal purchases totaling \$896. Oelerich then returned the card to JS's desk before she discovered it had been removed.¹⁶

2. Oelerich's Unauthorized Use of CH's Credit Card

In November 2013, CH, a co-worker of Oelerich, visited the Middleton branch office to attend a meeting with a colleague. While in the meeting, CH left her handbag unattended in a cubicle. The handbag contained a credit card that CH used to pay for business expenses. While CH's handbag was in the cubicle, Oelerich took a credit card from the handbag without CH's knowledge or authorization. In November 2013, Oelerich used CH's credit card to make six unauthorized personal purchases totaling \$316.¹⁷

F. Discussion

“Conversion generally is an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it” and is conduct that violates FINRA Rule 2010.¹⁸ By taking the credit cards without permission and using the credit cards of others to make unauthorized personal purchases, Oelerich engaged in conversion and thereby violated the “high standards of commercial honor and equitable principles of trade” required by FINRA Rule 2010.

III. Sanctions

The FINRA Sanctions Guidelines instruct that adjudicators “[b]ar the respondent regardless of [the] amount converted.”¹⁹ Accordingly, the Hearing Officer bars Oelerich from

¹⁶ Complaint ¶¶ 4, 6-9.

¹⁷ Complaint ¶¶ 1, 10-12.

¹⁸ *Dep't. of Enforcement v. Olson*, Complaint No. 2010023349601, 2014 FINRA Discip. LEXIS 7, at *9 n.7 (FINRA Board of Governors May 9, 2014), *appeal docketed*, No. 3-15916 (SEC June 9, 2014) (quoting *John Edward Mullins*, Exchange Act Rel. No. 66373, 2012 SEC LEXIS 464, at *33 (Feb. 10, 2012)) (quoting *FINRA Sanction Guidelines* 38 (2007)).

¹⁹ FINRA Sanctions Guidelines 36 (2013), available at www.finra.org/sanctionguidelines..

associating with any FINRA member in any capacity for converting \$1,212 by taking the credit cards of two colleagues without permission and using them to make unauthorized purchases in violation of FINRA Rule 2010.

IV. Order

Respondent Gregory J. Oelerich is barred from associating with any FINRA member firm in any capacity for converting \$1,212 by taking the credit cards of two colleagues without permission and using the cards to make unauthorized purchases in violation of FINRA Rule 2010. The bar will become effective immediately if this decision becomes FINRA's final disciplinary action in this proceeding.



Kenneth B. Winer
Hearing Officer

Copies to: Gregory J. Oelerich (*via overnight and first-class mail*)
Ken Sipsma, Esq. (*via first-class mail and email*)
Kelly A. McCormick, Esq. (*via first-class mail and email*)
Jeffrey D. Pariser, Esq. (*via email*)

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Gregory J. Oelerich (CRD No. 5832683),

Respondent.

DISCIPLINARY PROCEEDING
No. 2014039764901

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between October 2013 and November 2013 (“the relevant period”), while associated with Northwestern Mutual Investment Services, LLC (“Northwestern Mutual” or the “Firm”), Gregory J. Oelerich (“Oelerich” or “Respondent”) misappropriated credit cards from two coworkers, JS and CH, and used them to make more than 20 personal purchases without their knowledge or authorization. Through this conduct, Oelerich converted \$1,212 from JS and CH, thereby violating FINRA Rule 2010.

RESPONDENT AND JURISDICTION

2. Oelerich first became registered with FINRA in October 2010, through Northwestern Mutual, as an Investment Company Products/Variable Contracts Limited Representative. He later became registered as a State Securities Agent in November 2010 and a

General Securities Representative in September 2013. He remained employed by the Firm until his termination on December 6, 2013. On December 10, 2013, the Firm filed a Uniform Termination Notice for Securities Industry Registration (Form U5) that described Oelerich's termination as "voluntary." On January 3, 2014, the Firm filed an amended Form U5 reporting that the Firm had terminated Oelerich's employment "after he admitted to having used another financial representative's credit card to make unauthorized purchases."

3. Although Respondent is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the filing of an amendment to Oelerich's Form U5, namely, January 3, 2014; and (2) the Complaint charges him with misconduct committed while he was registered with a FINRA member.

STATEMENT OF FACTS

Oelerich's Conversion from JS

4. During the relevant period, Oelerich and JS both worked at Northwestern Mutual's Middletown, Wisconsin branch. However, Oelerich and JS were not business partners.

5. JS kept a credit card, which she used to pay for business expenses, in a desk drawer in her office. Oelerich was aware of the location of the credit card in JS's desk.

6. Oelerich was not authorized to take or use JS's credit card.

7. On five weekends between October 5, 2013 and November 16, 2013, Oelerich entered Northwestern Mutual's Middleton branch office and removed the credit card from JS's desk.

8. Without JS's knowledge or authorization, Oelerich then used JS's credit card to make 17 unauthorized personal purchases totaling \$896 between October 5, 2013 and November 16, 2013.

9. After each occasion on which Oelerich used JS's credit card, Oelerich returned JS's card to her desk drawer before she discovered he had removed it.

Oelerich's Conversion from CH

10. CH visited the Middleton branch office on November 1, 2013 to attend a meeting with a colleague. While in the meeting, CH left her handbag unattended in a cubicle. The handbag contained a credit card that CH used to pay for business expenses.

11. While CH's was handbag in the cubicle, Oelerich took the credit card from her handbag without CH's knowledge or authorization.

12. Between November 1 and 3, 2013, Oelerich used CH's credit card to make six unauthorized personal purchases totaling \$316.

**FIRST CAUSE OF ACTION
CONVERSION
(VIOLATION OF FINRA RULE 2010)**

13. The Department realleges and incorporates by reference paragraphs 1 to 12 above.

14. Conversion is "an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it."

15. Oelerich wrongfully converted \$1,212 from JS and CH through his unauthorized credit card purchases, which he made for his personal benefit.

16. By converting \$1,212 from JS and CH, Oelerich acted in a manner inconsistent with high standards of commercial honor and just and equitable principles of trade.

17. As a result of the foregoing conduct, Oelerich violated FINRA Rule 2010.

RELIEF REQUESTED

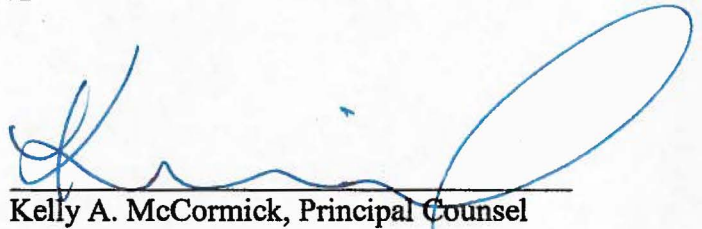
WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed, including that Respondent be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest.
- C. order that Respondent(s) bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330;

FINRA DEPARTMENT OF ENFORCEMENT

Date:

June 17, 2014



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