

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007010632901**

RECEIVED

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TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

REGISTRATION & DISCLOSURE

RE: Clay Eugene Cannon, Respondent
General Securities Representative and Investment Company and Variable Contracts Products
Representative
CRD No. 3028013

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Clay Eugene Cannon ("Cannon") was first registered with FINRA (f/k/a NASD) in April 1998, as an investment company and variable contracts products representative with FINRA member Banc of America Investment Services, Inc. Furthermore, in January 2006, Cannon was registered as a general securities representative with FINRA member SunTrust Investment Services, Inc. ("SunTrust"). Cannon was employed by SunTrust from January 2005 through September 2007. Cannon is not currently employed by a FINRA member and does not have a relevant disciplinary history.

OVERVIEW

Cannon signed the names of five siblings to new account documentation without their knowledge or consent. The five siblings authorized the opening of the account, but they did not give Cannon authorization to sign the new account document on their behalf. Such acts, practices and conduct constitute violations of NASD Conduct Rule 2110 by Respondent Cannon.

FACTS AND VIOLATIVE CONDUCT

In July 2007, Clay Eugene Cannon completed an account document to open an account for a limited liability partnership, ("H5 LP"), which was owned by five siblings. Cannon was a client advisor for both SunTrust and SunTrust Bank, although he was not the representative assigned to the account. Cannon signed each of the siblings' names on the new account document, which was dated July 9, 2007. Cannon further indicated on the account document that dividends received into the account should be reinvested.

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Cannon signed the names of the five siblings to the account document without their knowledge or consent. While the siblings had approved the opening of the account, Cannon did not obtain their authorization to sign their names on the new account document. In addition, the siblings later indicated that they did not want their dividends reinvested as Cannon had selected on the new account document. Cannon did not receive any compensation in connection with the account opening and the siblings subsequently signed the new account document.

Such acts, practices and conduct constitute violations of NASD Conduct Rule 2110 by Respondent Clay Eugene Cannon.

B. I also consent to the imposition of the following sanctions:

A fine of \$5,000 and a three-month suspension from association with any FINRA member in all capacities.

The fine shall be due and payable either immediately upon re-association with a member firm following the three-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-3.)

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudice of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

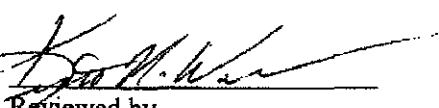
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. This AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer,

threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

7/1/08
Date

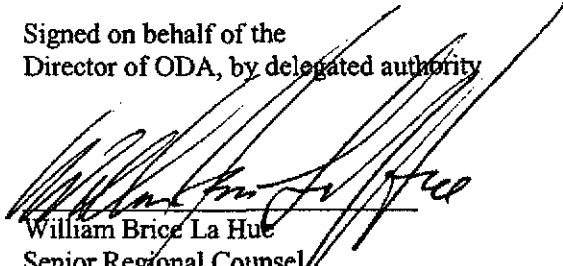

Clay Eugene Cannon, Respondent


Reviewed by
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Accepted by FINRA:

7/21/08
Date

Signed on behalf of the
Director of ODA, by delegated authority


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