

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080124765**

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ENCLOSURE

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

RE: Lawrence Lathan Powell, Jr., Respondent
CRD No.4899001

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I Lawrence Lathan Powell, Jr. ("Powell" or "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

Powell entered the securities industry on or about January 3, 2005 in a non-registered capacity with North Ridge Securities Corp. where he remained employed until July 12, 2005. Between June 18, 2007 and January 18, 2008, Powell was registered with FINRA through Chase Investment Services Corp. ("CISC" or the "Firm") as a registered representative and was employed at an affiliate of CISC, JP Morgan Chase Bank NA ("Chase Bank"). Powell began working at Chase Bank as a personal banker on or about June 18, 2007, and remained employed there until his termination on January 18, 2008.

On February 13, 2008, the Firm filed a Uniform Termination Notice for Securities Industry Regulation (the "Form U-5") reporting that Powell was terminated by its banking affiliate, Chase Bank, for non-securities related activities and for admitting to accessing and using bank customer funds for his own use. Powell's registration with CISC was terminated on February 13, 2008, as a result of the

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information contained in the Form U-5 filing. Powell is not currently employed in the securities industry.

FACTS AND VIOLATIVE CONDUCT

Between October 2007 through January 2008 (the "relevant period"), Powell was employed as a personal banker at Chase Bank. During the relevant period, Powell caused Chase Bank to issue 19 Chase Bank debit cards (the "debit cards") in the names of Chase Bank customers (the "customers"), all of whom were elderly, without the knowledge or authorization of the customers. Powell accessed the customers' accounts using the fraudulently obtained debit cards and withdrew funds, and facilitated the withdrawal of funds by others, from the customers' accounts. In total, Powell misappropriated approximately \$48,780 from Chase Bank customers.

In addition, pursuant to NASD Rule 8210, FINRA staff sent Powell a request dated September 26, 2008, directing him to appear and provide on-the-record testimony on October 9, 2008, in connection with the information reported by the Firm on the Form U-5. On October 9, 2008, Powell failed to appear and provide testimony as directed by FINRA staff's September 26, 2008 letter. FINRA staff sent Powell a second request dated October 17, 2008, pursuant to NASD Rule 8210, directing him to appear and provide on-the-record testimony on October 24, 2008, in connection with the information reported by the Firm on the Form U-5. On October 24, 2008, Powell again failed to appear and provide testimony as directed by FINRA staff's October 17, 2008 letter.

NASD Conduct Rule 2110 provides that "[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade." Conversion is the wrongful exercise of dominion over the personal property of another.¹ Even where the conversion is not in connection with a securities transaction, it "constitute[s] unethical business-related conduct and calls into question [a respondent's] ability to fulfill his fiduciary duties in handling other people's money."² By misappropriating \$48,780 in customer funds during the relevant period, Respondent violated NASD Conduct Rule 2110.

In addition, pursuant to NASD Conduct Rule 8210, FINRA may require any person subject to its jurisdiction to provide information regarding any matter under investigation. Further, Rule 8210(c) provides that "No member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule." By failing to appear and provide testimony on October 9, 2008 and October 24, 2008, Respondent violated NASD Conduct Rules 8210 and 2110.

¹ *Dep't of Enforcement v. Paratore*, No. 2005002570601, 2008 FINRA Discip. LEXIS 1, *10 (NAC Mar. 7, 2008);

² *Daniel D. Manoff*, Exch. Act Rel. No. 46,708, 2002 SEC LEXIS 2684 (Oct. 23, 2002) (unauthorized use of co-worker's credit card numbers).

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

1. A bar from association with any FINRA member in any capacity.

The sanction imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 39(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 FINRA Rule 8310 and 8311). 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 Complaint issued specifying the allegations against me;
- B. To be notified of the 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 prejudgment 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 FINRA Rule 9143 or the separation of functions prohibitions of FINRA 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 FINRA 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 FINRA Rule 8313; 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.

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.

10/23/2009
Date

Lawrence L Powell
Pros-se Respondent
Lawrence Lathan Powell, Jr.

By: Lawrence L Powell
Lawrence Lathan Powell, Jr.



Accepted by FINRA:

Nov. 13, 2009
Date

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

Thomas B. Lawson
Thomas B. Lawson
Chief Counsel
FINRA Department of Enforcement
1735 K St., NW
Washington, DC 20006