

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080136713**

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REGISTRATION & DISCLOSURE

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

RE: Clemenceau Dumont ("Dumont"), Respondent
CRD 2110500

Pursuant to FINRA 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

Dumont was born in [REDACTED]. He entered the securities industry in or about August 2004 as a registered representative for Allstate Financial Services, LLC ("Allstate" or the "Firm"). On May 9, 2008, Dumont's employment with the Firm was terminated. On May 27, 2008, the Firm filed a Uniform Termination Notice for Securities Industry Regulation (the "Form U-5") reporting Dumont's discharge, effective May 9, 2008, for "violation of insurance agency standards". Dumont is not currently employed in the securities industry.

OVERVIEW

During the period from December 31, 2007 through March 24, 2008 (the "relevant period"), Dumont received \$6,354.71 in customer insurance premiums. Dumont, however, never deposited the customer insurance premiums into his Agent Group Banking ("AGB") account¹ and never remitted the outstanding payments to the Firm. In

¹ The Agent Group Banking account is the repository for all premiums submitted by customers to individual Firm Agents. Each Agent is assigned an AGB account, and when premiums are received from customers the Agent enters the payment into the Firm system and then deposits the premiums to the AGB account. The Firm can then

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addition, Dumont failed to cooperate with Enforcement's investigation by refusing to answer questions during his scheduled on-the-record testimony. By reason of the foregoing, Dumont violated NASD Conduct Rule 2110 and FINRA Rules 2010 and 8210.

FACTS AND VIOLATIVE CONDUCT

Firm procedures required Dumont to remit a customer's insurance premium to his Agent Group Banking ("AGB") account on the same day that it was received. During the relevant period, Dumont received insurance premiums from 16 customers totaling \$6,354.71 but failed to deposit the payments into his AGB account and never remitted the outstanding payments to the Firm. Dumont never deposited the following 16 customers' insurance premiums into his AGB account:

- On December 31, 2007, Dumont received cash insurance premiums from customers KBA, MJ, MM, and RJ, totaling \$1,737.79;
- On February 4, 2008, Dumont received a cash insurance premium from customer VES, in the amount of \$860.00;
- On February 5, 2008, Dumont received a check or money order insurance premium from customer EM, in the amount of \$400.00;
- On February 8, 2008, Dumont received a cash insurance premium from customer WJJ, in the amount of \$306.62;
- On February 12, 2008, Dumont received a cash insurance premium from customer MB, in the amount of \$380.00;
- On February 22, 2008, Dumont received cash insurance premiums from customers YL, RB, MB, OC, VB and AJP, totaling \$1,814.86. In addition, Dumont received a check or money order insurance premium from customer AM, in the amount of \$460.00; and
- On March 24, 2008, Dumont received a cash insurance premium payment from customer JP, in the amount of \$395.44. Dumont, however, never deposited the funds into his AGB account.

Dumont never remitted the \$6,354.71 in outstanding customer insurance premiums to the Firm.

review the account to verify that for all premiums entered into the system corresponding deposits have been made in the AGB account.

In addition, pursuant to FINRA Procedural Rule 8210, FINRA staff sent Dumont a request, dated May 6, 2009, directing him to appear and provide on-the-record testimony on May 20, 2009, in connection with the information reported by the Firm on the Form U-5. On May 20, 2009, Dumont appeared at FINRA, but refused to provide testimony as requested by FINRA staff's May 6, 2009 letter. Dumont informed FINRA that he would not answer any of FINRA staff's questions on the-record.

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.² 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."³ By failing to deposit \$6,354.71 in client insurance premiums into his AGB account between December 31, 2007 and March 24, 2008, Respondent violated NASD Conduct Rule 2110.

In addition, pursuant to FINRA 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 answer questions during his scheduled on-the-record testimony, Respondent violated FINRA Rules 8210 and 2010.

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

1. A permanent bar in all capacities.

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 FINRA Rules 8310 and 8311).

The sanctions 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.

II.

WAIVER OF PROCEDURAL RIGHTS

² *Dep't of Enforcement v. Paratore*, No. 2005002570601, 2008 FINRA Discip. LEXIS 1, *10 (NAC Mar. 7, 2008);

³ *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).

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

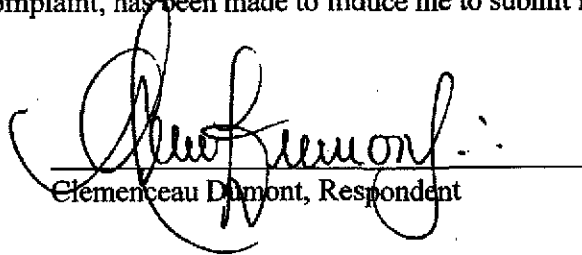
I understand that:

- 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:

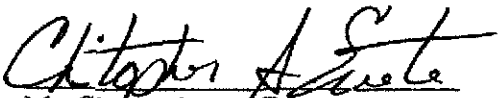
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
3. 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.

09/15/2009
Date


Clemenceau Dumont, Respondent

Reviewed by:


Mr. Christopher A. Errante
Counsel for Respondent
Christopher A. Errante, Esq., LLC
430 Broad Street, Suite 103
Bloomfield, NJ 07003
(201) 672-0202

Accepted by FINRA:

9/24/09
Date

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



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