

COPY

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

JEFFREY ALLEN DAVIS,
(CRD No. 4905524)

Respondent.

Disciplinary Proceeding
No. 2008015704401

Hearing Officer: MAD

INTRODUCTION

Disciplinary Proceeding No. 2008015704401 was filed on December 17, 2009, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA") ("Complainant"). Respondent Davis submitted an Offer of Settlement ("Offer") to Complainant on January 14, 2009. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complainant 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

000060022 2010

BACKGROUND

Respondent Davis entered the securities industry in January 2005, when he was employed by a FINRA member. Davis first became registered with FINRA as an investment company and variable contracts products representative in October 2005, and later, was also registered as a general securities representative in July 2007. Davis became employed with Chase Investment Services Corp. ("Chase") in September 2005, where he remained until October 2008. Davis is not currently associated with a FINRA member, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws, in that the misconduct alleged in the First and Second Causes of Action occurred while Respondent Davis was associated with a FINRA member firm, and the Complaint in this matter was filed within two years of his last association with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

FIRST CAUSE OF ACTION NASD Conduct Rules 3110 and 2110 (Falsification of Records)

On May 21, 2008, customer D.W. opened a managed account with Chase through Davis. Davis failed to obtain customer D.W.'s signature on a form titled the Investment Account Application ("Application"). Instead of going back to customer D.W. to have him sign the Application, Davis falsified customer D.W.'s signature on the Application and submitted it to Chase as authentic. By virtue of the foregoing, Davis caused the books and records of Chase to be false and inaccurate and therefore in violation of Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-3 promulgated thereunder. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 3110 and 2110 by Respondent Davis.

SECOND CAUSE OF ACTION NASD Conduct Rule 2110 (Settling a Customer Complaint)

On or about August 27, 2008, customer D.W. filed a complaint with Chase concerning the fees

charged in his managed account. On October 3, 2008, Chase responded to customer D.W., denying that any compensation was due to D.W. On or about October 22, 2008, Davis acknowledged to customer D.W. that he had falsified his signature on the Application as cited in the First Cause of Action, and reimbursed D.W. for losses in his account in the amount of \$7,772.31. Davis paid customer D.W. the \$7,772.31 via personal check without disclosing such payment to Chase. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by Respondent Davis.

**THIRD CAUSE OF ACTION
FINRA Procedural Rule 8210 and FINRA Conduct Rule 2010
(Failure to Testify)**

On or about April 21, 2009, FINRA's Atlanta District Office initiated an investigation into the allegations on the Form U5 filed by Chase on behalf of Davis. During the course of FINRA's preliminary review of this matter, it requested and received a written statement from Davis. However, additional facts and details were developed during FINRA's investigation and it determined, at a later date, that it needed an on-the-record ("OTR") sworn statement from Davis regarding his dealings with customer D.W.

Therefore, on May 8, 2009, FINRA sent Davis a letter via first class and certified mail addressed to Davis at his residential address as listed in the Central Registration Depository ("CRD") [REDACTED]. The May 8, 2009 letter was sent pursuant to FINRA Procedural Rule 8210, and requested that Davis appear and testify on May 27, 2009, at FINRA's Atlanta District Office. The May 8, 2009 letter sent by first class mail was not returned. The May 8, 2009 letter sent by certified mail was returned on June 10, 2009 indicating that it was "unclaimed." On or about May 15, 2009, counsel for Davis contacted FINRA. Counsel acknowledged that Davis had received the May 8, 2009 request letter and stated that he had advised Davis not to appear and testify as requested. Davis failed to appear and testify on May 27, 2009, as requested.

On May 27, 2009, FINRA sent Davis a second letter via first class and certified mail addressed to Davis's residential CRD address of record. The May 27, 2009 letter was also sent pursuant to FINRA Procedural Rule 8210, and again requested that Davis appear and testify on June 11, 2009, at FINRA's Atlanta District Office. The May 27, 2009 letter sent by first class mail has not been returned. The May

27, 2009 letter sent by certified mail also has not been returned but, according to the United States Postal Service website, there is no information available regarding the certified letter. On June 2, 2009, counsel for Davis faxed a letter to FINRA in which he stated, once again, that he had advised Davis not to appear and testify before FINRA. On June 11, 2009, Davis failed to appear and testify as requested. Such acts, practices and conduct constitute separate and distinct violations of FINRA Procedural Rule 8210 and FINRA Conduct Rule 2010 by Respondent Davis.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

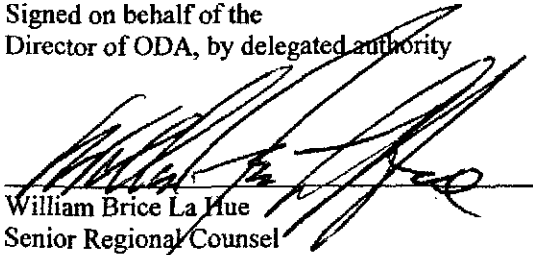
It is ordered that Respondent be barred from association with any FINRA member firm in all capacities.

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 Order.

SO ORDERED.

1/21/10
Date

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


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