

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Steven Emery Floyd
CRD No. 4894766,

Respondent.

DISCIPLINARY PROCEEDING
No. 2009016586601

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between October 28, 2008 and December 12, 2008, while registered with Chase Investment Services Corporation ("Chase" or the "Firm") and employed as personal banker at a Chase affiliated retail bank, JP Morgan Chase, N.A. (the "Bank"), Steven Emery Floyd ("Floyd") requested and obtained temporary ATM cards for three Bank customers and used the cards to withdraw approximately \$15,668 from their accounts without their knowledge or consent. Floyd's misconduct violated NASD Conduct Rule 2110. Floyd also failed to respond to FINRA's Procedural Rule 8210 requests for documents and information in this matter. As a result, Floyd violated FINRA Procedural Rule 8210 and Conduct Rule 2010.

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RESPONDENT AND JURISDICTION

2. Floyd entered the securities industry in December 2004 as an employee with A.F.S Inc. In March and April 2005, he qualified as a state securities agent through a Series 66 examination and as a general securities representative through a Series 7 examination, respectively.

3. From in or about January 18, 2006 to December 12, 2008, Floyd was employed as a registered representative with the Firm and as a personal banker at the South Jordan, Utah branch of the Bank.

4. Although he was licensed to sell securities through Chase, Floyd referred Bank customers to Chase financial advisors for securities transactions. As a personal banker with the Bank, Floyd was able to sell a limited number of mutual funds and certain fixed annuities.

5. Floyd is not currently associated with a FINRA member firm. Pursuant to Article V, Section 4 of FINRA's Bylaws, Floyd remains subject to FINRA's jurisdiction until December 12, 2010. Floyd has no prior disciplinary history in the securities industry.

FIRST CAUSE OF ACTION

NASD Conduct Rule 2110 – Conversion of Funds

6. The allegations in paragraphs one through five above are realleged and incorporated by reference.

Customers SS and JS

7. From at least October 2008 through December 2008, SS was a customer of the Bank where she maintained a joint account with her husband JS.

8. In or about October 2008, Floyd caused the issuance of a temporary ATM card for SS's joint Bank account.

9. On or about October 28, 2008 through November 10, 2008, without SS's prior knowledge or consent, Floyd used SS's temporary ATM card to make 11 withdrawals totaling approximately \$3,303 from SS's account.

10. To date, Floyd has not returned any of the funds to customers SS and JS or reimbursed the Bank after the Bank re-paid the funds to SS and JS.

Customer LL

11. In November 2008, LL was a customer of the Bank where he maintained an account.

12. In or about November 2008, Floyd accessed the Bank's electronic systems to review LL's account information and thereafter caused the issuance of a temporary ATM card for LL's Bank account.

13. Between November 14, 2008 and November 26, 2008, without LL's prior knowledge or consent, Floyd used LL's temporary ATM card to make 13 withdrawals totaling approximately \$3,918 from LL's account.

14. To date, Floyd has not returned any of the funds to LL or reimbursed the Bank after the Bank re-paid the funds to LL.

Customer AJ

15. From at least November 2008 through December 2008, AJ was a customer of the Bank where he maintained an account.

16. In or about November 2008, Floyd caused the issuance of a temporary ATM card for AJ's Bank account.

17. Between November 17, 2008 and December 12, 2008, without AJ's prior knowledge or consent, Floyd used AJ's temporary ATM card to make 28 withdrawals totaling approximately \$8,447 from AJ's account.

18. To date, Floyd has not returned any of the funds to AJ or reimbursed the Bank after the Bank re-paid the funds to customer AJ.

19. These acts, practices and conduct described above constitute separate and distinct violations of NASD Conduct Rule 2110.

SECOND CAUSE OF ACTION

Failure to Respond –

FINRA Procedural Rule 8210 and Conduct Rule 2010

20. The allegations in paragraphs one through 19 above are realleged and incorporated by reference.

21. By letters dated May 18, 2009 and June 9, 2009 (the "May 18th Letter" and "June 9th Letter" respectively), Enforcement requested pursuant to FINRA Procedural Rule 8210 that Floyd submit a detailed written statement concerning allegations that he created and used several Bank customers' ATM cards without their authorization. These letters were sent by certified mail return receipt requested and first class mail to Floyd's residential address as indicated in the Central Registration Depository: [REDACTED]

[REDACTED] (the "CRD Address").

22. The May 18th and June 9th Letters sent via certified mail were returned to Enforcement by the United States Postal Service with the notation "Return to Sender – Not Deliverable as Addressed – Unable to Forward." The first class copies of the May 18th and June 9th Letters were also returned to Enforcement by the United States Postal Service with the notation "Return to Sender – Insufficient Address – Unable to Forward."

23. By letter dated June 22, 2009 (the "June 22nd Letter"), Enforcement requested pursuant to FINRA Procedural Rule 8210, that Floyd submit a detailed written statement concerning allegations that he created and used several Bank customers' ATM cards without their authorization. The June 22nd Letter requested that Floyd provide his response on or before July 7, 2009. The June 22nd Letter was sent by certified mail, return receipt requested, and first class mail to Floyd's last known address according to a search performed on the LexisNexis website, <http://www.lexis.com>: [REDACTED] (the "Lexis address").

24. The June 22nd Letter sent via certified letter was returned to Enforcement with the notation by the United States Postal Service "Return to Sender – no mail receptacle – Unable to Forward." However, the June 22nd Letter sent by first class mail was not returned to Enforcement.

25. By letter dated July 7, 2009 (the "July 7th Letter"), Enforcement again requested pursuant to FINRA Procedural Rule 8210, that Floyd provide a detailed written statement concerning the termination of his employment from the Firm. The July 7th Letter stated that Floyd's response was due on or before July 21, 2009. Enforcement noted in its July 7th Letter that it was renewing its prior request that Floyd provide a detailed written statement and enclosed a copy of the June 22nd Letter.

26. The July 7th Letter was sent by certified mail, return receipt requested, and first class mail to Floyd's Lexis address.

27. The July 7th Letter sent via certified mail was returned to Enforcement by the United States Postal Service with the notation by the United States Postal Service "Return to Sender – no mail receptacle – Unable to Forward." However, the July 7th Letter sent via first class mail was not returned to Enforcement.

28. Enforcement has sent multiple requests, as described above, for information pursuant to FINRA Procedural Rule 8210, to Floyd's CRD address, in addition to the Lexis address. To date, Floyd has failed to provide any response to Enforcement's Rule 8210 requests for information.

29. The acts, practices and conduct described herein constitute a violation of FINRA Procedural Rule 8210 and Conduct Rule 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

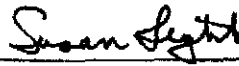
- A. Findings of fact and conclusions of law that Floyd committed the violations charged and alleged herein;
- B. Order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed;
- C. Order that one or more of the sanctions provided under FINRA Rule 8310(a) be imposed, including that the Respondent be required to disgorge fully any and all

ill-gotten gains and/or make full and complete restitution, together with interest;
and

- D. Order that the Respondent 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: December ~~16~~¹⁸ 2009



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