

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Allan A. Scheer,
CRD No. 2775825

Respondent.

Disciplinary Proceeding
No. 20090193306

Hearing Officer Matthew Campbell

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: November 18, 2011

INTRODUCTION

Disciplinary Proceeding No. 20090193306 was filed on August 4, 2011, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Allan A. Scheer submitted an Offer of Settlement (Offer) to Complainant dated November 4, 2011. 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 Complaint, 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.

BACKGROUND

Scheer first became registered with NASD as a general securities representative in July 1996 through a FINRA- regulated firm, where he worked until January 2003. From March 2003 until June 2006, Scheer was registered with NASD as a general securities representative through two different FINRA-regulated firms. In July 2006, Respondent joined FINRA-regulated firm, Sun Trust Investment Services Inc. ("Sun Trust" or the "Firm") and remained employed there until his employment was terminated on August 7, 2009. On or about August 18, 2009, the Firm filed a Uniform Termination Notice for Securities Industry Registration (the "Form U-5") reporting that Scheer's employment was terminated by the Firm for "misrepresentation of product returns".

Although Respondent has not been associated with a FINRA-regulated firm since August 7, 2009, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the date upon which he ceased to be associated with a FINRA member and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member.

On or about November 4, 2011, an Offer of Settlement was entered, pursuant to which Scheer consented, without admitting or denying the allegations, to findings that he had violated

FINRA Rule 2010 by making material misrepresentations to two prospective customers concerning the return on the Sun Trust Bank Index-Linked Certificates of Deposits (“SILCs”). Scheer also consented to a suspension in all capacities for four months and a fine in the amount of \$5,000 to be paid upon reentry to the industry.

FINDINGS AND CONCLUSIONS

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

In early June 2009, an employee of the Firm’s affiliate bank (the “Bank”) introduced Bank customer JH to Scheer. Scheer solicited prospective customer JH to purchase Sun Trust Index-Linked Certificates of Deposit #177 Linked to the S & P 500 Index, Maturing June 21, 2013 (“SILC #177). In soliciting JH to purchase SILC #177, Scheer represented to JH that JH would receive 3% annually on the SILC #177 investment. This was false. In fact, the SILC #177 investment paid a minimum 3% return at maturity in June 2013 but not annually. JH was retired and 76 years old at the time Scheer solicited him to purchase the SILC #177. On June 24, 2009, JH purchased the SILC #177 from the Firm for \$36,000.

In addition, in early June 2009, a Bank employee introduced Bank customer JC to Scheer. Scheer solicited customer JC to purchase SILC #177. In soliciting JC to purchase SILC #177, Scheer represented to JC that JC would receive a total return of 15% at maturity on the SILC #177. This was false. In fact, the SILC #177 investment paid a minimum 3% return at the maturity date in 2013. On June 24, 2009, JC purchased the SILC #177 from the Firm for \$10,000. At the time of his SILC purchase, JC was not employed and received disability payments.

Scheer's misrepresentations to JH and JC were material as the rate of return would be considered significant by a reasonable investor considering whether to purchase the SILC.

Based on the foregoing, Respondent violated FINRA Rule 2010, by misrepresenting material information to potential customers JH and JC regarding the returns associated with the SILC that they each subsequently purchased from the Firm

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 fined in the amount of \$5,000 and suspended for four months from association with any member of FINRA in any capacity.

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

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read "Thomas B. Lawson", is written over a horizontal line.

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