

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Allan Anthony Scheer (CRD No. 2775825),

Respondent.

DISCIPLINARY PROCEEDING
No. 20090193306

Hearing Officer:

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. While registered with FINRA through FINRA-regulated firm Sun Trust Investment Services, Inc. ("Sun Trust" or "the Firm") Allen Anthony Scheer ("Scheer" or "Respondent") made material misrepresentations concerning the return on the Sun Trust Bank Index-Linked Certificates of Deposit ("SILC") to two prospective customers.
2. By making material misrepresentations to two customers concerning the return on their SILC investment, Respondent violated FINRA Rule 2010.

RESPONDENT AND JURISDICTION

3. 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.
4. From March 2003 until June 2006, Scheer was registered with NASD as a general securities representative through two different FINRA-regulated firms.
5. In July 2006, Respondent joined FINRA-regulated firm, Sun Trust and remained employed there until his employment was terminated on August 7, 2009.
6. 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".
7. 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.

FACTS

8. In or about early June 2009, the Firm offered SILCs and permitted its general securities representatives to solicit the purchase of SILCs from customers of its affiliate bank (the "Bank").
9. In or about June 2009, Scheer was introduced to Bank customers by Bank employees for the purpose of soliciting them to purchase SILCs from the Firm.

10. In describing the SILC to two customers, Scheer provided inaccurate information concerning the returns associated with the product.

Customer JH

11. In early June 2009, a Bank employee introduced Bank customer JH to Scheer.
12. 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).
13. 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.
14. JH was retired and 76 years old at the time Scheer solicited him to purchase the SILC #177.
15. On June 24, 2009, JH purchased the SILC #177 from the Firm for \$36,000.

Customer JC

16. In early June 2009, a Bank employee introduced customer JC to Scheer.
17. Scheer solicited customer JC to purchase SILC #177.
18. 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.
19. On June 24, 2009, JC purchased the SILC #177 from the Firm for \$10,000.

20. At the time of his SILC purchase, JC was not employed and received disability payments.
21. The above-referenced misrepresentations are material as the rate of return would be considered significant by a reasonable investor considering whether to purchase the SILC. Scheer's misrepresentations to JH and JC were material.
22. On August 7, 2009, after conducting an investigation into allegations that Scheer had misrepresented the features of the SILC product to prospective customers, the Firm terminated Scheer's employment.

FIRST CAUSE OF ACTION
MATERIAL MISREPRESENTATION
FINRA Rule 2010

23. The Department realleges and incorporates by reference paragraphs 1 through 22 above.
24. FINRA Rule 2010 requires that members observe "high standards of commercial honor and just and equitable principles of trade."
25. Through Scheer's statements to JH and JC described above, Respondent misrepresented material information to potential customers JH and JC regarding the returns associated with the SILC that they each subsequently purchased from the Firm. Scheer thereby engaged in conduct that was inconsistent with high standards of commercial honor and just and equitable principles of trade and violated FINRA Rule 2010.

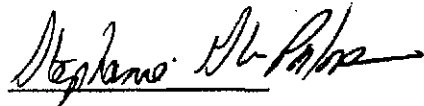
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed.
- B. 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: 8-4-11



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