

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

Department of Enforcement,

Complainant,

v.

John Ross Coccozza,
CRD No. 2909926,

Respondent.

Disciplinary Proceeding
No. 2009020390701

Hearing Officer - LBB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: June 7, 2011

INTRODUCTION

Disciplinary Proceeding No. 2009020390701 was filed on March 23, 2011, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA") ("Complainant"). Respondent John Ross Coccozza ("Respondent" or "Coccozza") submitted a signed Offer of Settlement ("Offer") to Complainant dated May 19, 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 as amended by the findings of this Order, 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 as amended in this Order, and to the imposition of the sanctions set forth below,

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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

In March 2004, Respondent John Ross Coccozza ("Respondent") became a registered representative with Edward Jones (the "Firm"), a FINRA regulated entity. On November 4, 2009, the Department of Enforcement ("Enforcement") of FINRA received a Uniform Termination Notice for Securities Industry Registration ("Form U-5") reporting that Respondent's employment with the Firm had been terminated on October 22, 2009. The Form U-5 reported that the reason for Respondent's termination was his failure to properly disclose his outside business activities and client involvement in those outside business activities. To date, Respondent has not re-entered the securities industry.

Although Respondent has not been associated with a FINRA member firm since October 22, 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 and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member.

Coccozza has no disciplinary history.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:¹

SUMMARY

¹ The findings herein are pursuant to Respondent Coccozza's Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

1. Respondent operated two outside businesses without providing written notice to the Firm. Respondent also failed to cooperate with requests for information, documents and testimony made by Enforcement.

**First Cause of Action
Failure to Disclose Outside Business Activities
(FINRA Rules 3030 and 2010)**

2. The Firm's policies and procedures prohibited its employees from engaging in outside employment or business ownership without prior written approval from a Firm supervisor or the Firm's Compliance Department. The Firm provided an intranet based outside business application form, which required that employees identify any outside businesses and disclose additional information about outside business activities (i.e., position, responsibilities, compensation and hours worked). Once an employee completed the outside business application form, a Firm principal reviewed the application and either approved or rejected the application.

3. In early 2009, Respondent received Firm approval for an outside business activity from WJ, the Firm's Field Supervision Director. Respondent's outside business was a restaurant located in Matawan, New Jersey. Respondent was a minority owner and managed the restaurant. On March 5, 2009, Respondent and FL, the majority owner and a customer of the Respondent at the Firm, signed an "Arms Length Transaction Letter" relating to the restaurant, as required by the Firm, which stated that Edward Jones was not involved with the business. MY, another customer of Respondent, was also an investor in the restaurant, which was not disclosed by Respondent to the Firm. In or around June 2009, Respondent and his partners accepted a buyout from FL and ended their association with the business.

4. In or around June 2009, Respondent found commercial property in Staten Island, New York for a new bar and restaurant.

5. On August 6, 2009, Catalpa Group LLC ("Catalpa Group") was registered as a New York State corporation. According to Respondent, Catalpa Group was formed for the purpose of renovating the Staten Island property and either managing a bar at the premises or subletting the renovated property to another proprietor. Respondent was an officer of Catalpa Group.

6. In a filing with the New York State Department of State, Catalpa Group's address for service of process was listed as [REDACTED] The Respondent used this address for one of his personal accounts. Additionally, this address is also Respondent's last known residential address as reflected in the Central Registration Depository ("CRD") and a home address given by Respondent on his employment application forms.

7. In the summer of 2009, Respondent and the other owners decided to operate the bar themselves in the Staten Island location. During the summer and fall of 2009, Respondent was the co-owner and manager of the Staten Island bar and participated in the renovation of the business prior to its opening. For example, Respondent and FF, a customer of Respondent and Respondent's uncle, selected materials used for the renovation of the business. Respondent also marketed and promoted the bar by discussing its operation on internet sites, served as a chef and assisted in the creation of entrees included on the menu.

8. On or about September 22, 2009, MY, a customer of the Respondent at Edward Jones, sold mutual funds in MY's Edward Jones account and then wired \$10,000 on or about September 28, 2009 to Catalpa Group.

9. On September 25, 2009, Catalpa Group filed a liquor license request with the New York State Liquor Authority. Catalpa Group requested the liquor license for the bar in Staten Island. On the application, the principals of Catalpa Group were identified as Respondent, FF, MY, RM and SF.

10. On or about October 5, 2009 during a Firm review of MY's wire transfer to Catalpa Group, the Firm discovered that the address of incorporation for Catalpa Group was Respondent's home address and the address on his Edward Jones account.

11. On October 7, 2009, Respondent told WJ, his supervisor and SC, a Firm compliance officer, that he formed Catalpa Group with customer MY for the purpose of purchasing real estate at a low price, improving the property in order to sell the property at a profit. Respondent and MY each invested \$10,000 into Catalpa Group and MY's funds came from the sale of mutual funds from his Firm IRA account.

12. The Respondent never notified the Firm, either in writing or otherwise, about Catalpa Group or the bar in Staten Island prior to the Firm's inquiry in October 2009.

13. Respondent did not tell Firm investigators that FF, Respondent's uncle and his customer at the Firm, was a partner in the bar. Rather, the Firm discovered FF's participation in the bar during an internet search. Respondent did not respond to the Firm's request for information about FF's participation in the business.

14. On October 20, 2010, the bar opened for business.

15. SW and RM were also co-owners of the bar and were also customers of Respondent at the Firm, Respondent failed to disclose these facts to the Firm.

16. By failing to disclose his outside business activity with Catalpa Group and the bar to the Firm, Respondent violated FINRA Rules 3030 and 2010.

**Second Cause of Action
Failure to Cooperate
(FINRA Rule 8210 and 2010)**

17. On November 13, 2009, FINRA staff sent a letter to Respondent notifying him of its investigation and requesting, pursuant to FINRA Rule 8210, a signed written statement regarding the circumstances of his termination by December 13, 2009. The letter was sent via certified mail and return receipt requested to Respondent at [REDACTED] (the "New Jersey Address") which was his last known residential address as reflected in the CRD. A copy of the letter was sent by first class mail to the same address. FINRA received the return receipt, which was signed "Suzanne Cocozza" on November 19, 2009. According to the Edward Jones Human Resources Information Inventory form provided to Enforcement, Suzanne Cocozza is listed as Respondent's spouse. The letter sent via first class mail was not returned to FINRA. Respondent did not respond to the request for information by the deadline.

18. On January 5, 2010, FINRA staff sent a letter to Respondent, which renewed its request, pursuant to FINRA Rule 8210, for a written statement regarding the circumstances surrounding his termination of employment from the Firm. The response to FINRA's request for information was due on or before February 2, 2009. The letter was sent via certified mail and return receipt requested to the New Jersey Address. A copy of the letter was sent by first class mail to the same address. The certified letter was returned to FINRA marked "unclaimed." The first class copy was not returned to FINRA. Respondent did not respond to the requests for information by the deadline.

19. On March 10, 2010, Enforcement sent a letter to Cocozza, which requested that pursuant to FINRA Rule 8210, Cocozza provide on-the-record testimony on March 24, 2010 at

10:00 a.m. at FINRA's office located at 14 Wall Street in New York City. The letter was sent via certified mail and return receipt requested to the New Jersey Address. A copy of the letter was sent by first class mail to the same address. Enforcement received the return receipt, which was signed "Suzanne Coccozza" and dated March 15, 2010. The letter sent by first class mail was not returned to FINRA.

20. On March 16, 2010, Coccozza called Enforcement and requested an adjournment of the March 24, 2010 on-the-record interview, which was granted. During the call, Enforcement instructed Coccozza to submit a written statement to FINRA concerning his termination from the Firm. Coccozza also provided Enforcement with the e-mail address, [REDACTED] (the "E-Mail Address") where he could be contacted.

21. On March 31, 2010, Enforcement sent a letter to Respondent requesting that, pursuant to FINRA Rule 8210, Respondent provide information and documents about his outside business activities by April 14, 2010. The letter was sent via certified mail and return receipt requested to the New Jersey Address. A copy of the letter was also sent via first class mail. Enforcement received the return receipt, which was signed "Vincent Coccozza" on April 3, 2010. The first class copy was not returned to Enforcement. Enforcement also sent a copy of this request to Respondent via email to the Email Address.

22. Respondent did not respond to the request for information.

23. On June 16, 2010, Enforcement sent a letter to Respondent, pursuant to FINRA Rule 8210, which renewed its request for information and documents about his outside business activities. The response to Enforcement's request for information was due on or before June 30, 2010. The letter was sent via certified mail and return receipt requested to Respondent's New Jersey Address. A copy of the letter was sent by first class mail to the same address.

Enforcement received the return receipt, which was signed "Vincent Coccozza" on June 19, 2010. Enforcement did not send a copy of this request to Respondent's email address. The copy of the letter sent by first class mail was not returned to FINRA. Respondent did not respond to the request for information.

24. On August 26, 2010, nine months after the initial request, Respondent submitted an unsigned written statement to Enforcement which discussed the facts and circumstances concerning his termination from the Firm

25. On September 16, 2010, Enforcement sent Respondent an email which asked him to provide dates for which he was available for an on-the-record interview. After not receiving a response from Respondent, on September 21, 2010, Enforcement sent Respondent an email which requested that he provide dates in September or October when he was available to be deposed by Enforcement.

26. On September 27, 2010, Respondent replied by email to Enforcement by stating that he was "unable to commit to any date for any in- person interview at this time."

27. On September 30, 2010, Enforcement informed Respondent, by email, that because he had not provided any available dates for an on-the-record interview, Enforcement would pick the date for the interview.

28. On October 4, 2010, Enforcement sent a letter to Respondent, which requested that, pursuant to FINRA Rule 8210, Respondent provide on-the-record testimony on Monday, October 18, 2010 at 10:00 a.m. at FINRA's office located at 14 Wall Street in New York City. The letter was sent via certified mail and return receipt requested to Respondent's New Jersey Address. FINRA received the return receipt, which was signed by Suzanne Coccozza on October

7, 2010. A copy of the letter was also sent via first class mail and by e-mail to the E-mail Address. The first class copy was not returned to Enforcement. Respondent did not appear as requested on October 18, 2010.

29. On October 25, 2010, Respondent sent Enforcement an email asking that the on-the-record interview be rescheduled. In the email, Respondent discussed his recent attempts to obtain employment and stated that the prospect of sitting through a three-hour deposition had "ZERO appeal" for him.

30. On October 25, 2010, Enforcement contacted Respondent via email and requested that he call Enforcement staff to schedule his on-the-record interview. On November 4, 2010, Enforcement sent Respondent an email which requested good dates for his on-the-record interview and his response was due by November 8, 2010. To date, Respondent has not appeared for an on-the-record interview nor responded to Enforcement's request to provide dates when he is available to testify.

31. By failing to respond to Enforcement requests, pursuant to FINRA Rule 8210, for information, documents and testimony Respondent violated FINRA Rules 8210 and 2010.

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.

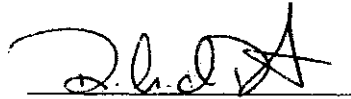
SANCTIONS

It is ordered that Respondent be barred from association with any FINRA regulated broker dealer 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 "R. Best", is written over a horizontal line.

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