

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

Department of Enforcement,

Complainant,

v.

**ADORIS S. TURNER, II
CRD No. 4804592,**

Respondent.

**Disciplinary Proceeding
No. 20100250294**

Hearing Officer: Rada Lynn Potts

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: May 9, 2013

INTRODUCTION

Disciplinary Proceeding No. 20100250294 was filed on October 26, 2012, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Adoris S. Turner, II submitted an Offer of Settlement (Offer) to Complainant dated May 2, 2013. 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

Respondent entered the securities industry in or about May 2004 as a limited registered representative with a FINRA registered broker-dealer. From July 2005 through December 2006 and from December 2008 through October 2010, Respondent was dually employed as a limited registered representative with the Chase Investment Services Corporation (the "Firm") and as a bank employee with JPMorgan Chase Bank, N.A. ("Chase Bank"). Throughout this time period, Respondent held Series 6 and Series 63 securities licenses. Although Respondent is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because the Complaint was filed within two years after the effective date of termination of Respondent's registration with Chase Investment Services Corp. namely November 5, 2010, and the complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

On or about May 2, 2013, an Offer was executed by Respondent, pursuant to which, Respondent consented, without admitting or denying the allegations, to findings that he violated FINRA Rule 2010 by creating and distributing documents which contained false and misleading statements purporting to authorize the issuance of an \$18 million promissory note by Chase Bank and by holding himself out as a person authorized to negotiate and approve issuance of the above-referenced promissory note which was not true.

FINDINGS AND CONCLUSIONS

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

In or about June 2010, Respondent, while a dual employee of the Firm and Chase Bank created and distributed, without the bank's knowledge or authorization, documents containing false and misleading statements. The documents, including a purported promissory note, misrepresented that Chase Bank had authorized the issuance of an \$18 million promissory note in favor of Respondent's Chase Bank customer. Respondent sent these documents to an individual involved in a business transaction with one of Respondent's customers.

In e-mail communications with the relevant parties and by his actions, Respondent also misrepresented that he was authorized by Chase Bank to negotiate the terms of and approve the issuance of the above-referenced promissory note, which was not true.

The Anticipated Transaction

In or about June 2010, Respondent was introduced to Customer ADC, a sole proprietor of a business called IIS. Customer ADC sought to bring to fruition a project to establish new communities near Waco, Texas and required funding to do so. Customer ADC advised Respondent of a program called the Cash First Program through which funding could be obtained.

Customer ADC described to Respondent his plan, through the Cash First Program, to open a bank account at the Jupiter Branch in which he would deposit \$100 million dollars raised through private investors. Pursuant to the terms of the Cash First Program, Chase Bank would be required to comply with certain terms applicable to the funds held in the subject Chase Bank account. Among these terms was a requirement that Chase Bank agree to issue an \$18 million promissory note using the account's funds as collateral.

On at least one occasion, Respondent and Customer ADC participated in a conference call with other individuals concerning the Cash First Program and funding for Customer ADC's Chase Bank account. One of the other individuals on that call was JB, the principal of a private financial consulting firm called BC Company through which funding was to be raised from private investors.

In or about July and August 2010, Customer ADC opened a business account at Chase Bank (the "Customer ADC Account") with the legal name of the entity as Customer ADC and the trade name of the entity as ISS.

The False and Misleading Documents

FINRA Rule 2010 requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

In furtherance of acquiring funding for the Customer ADC Account pursuant to the Cash First Program, in or about June 2010, Respondent created three documents on Chase Bank letterhead. One document lays out the terms of the alleged promissory note (the "Promissory Note"), one document provides a statement of Chase Bank's readiness to issue the Promissory Note (the "Readiness Letter") and the third document validates the authenticity of the Promissory Note (the "Validation Letter"). Each document is dated June 29, 2010.

Next to a notation marked "Authorized Signature" appearing on each document, Respondent signed the Promissory Note and Readiness Letter. Beneath Respondent's signature on the Promissory Note and Readiness Letter appeared the following notation, "Adoris Turner, II, Bank Manager: Vice President." Respondent also signed his name next to a notation marked "Signature" that appeared at the bottom of the Validation Letter.

Respondent asked a personal banker who worked at the Jupiter Branch, Personal Banker DN to sign the Promissory Note, Readiness Letter and Validation Letter as a witness. At the time, Respondent was Personal Banker DN's direct supervisor.

Next to a second notation on the Promissory Note and Readiness Letter marked "Authorized Signature," Personal Banker DN signed her name as requested by Respondent. Beneath Personal Banker DN's signature appeared the following notation, "Ms. DN, Bank Officer: Personal Banker." Personal Banker DN also signed her name next to a notation marked "Signature" that appeared at the bottom of the Validation Letter.

On or around June 29, 2010, Respondent forwarded copies of the executed Promissory Note, Readiness Letter and Validation Letter to JB by electronic and First Class Mail. Respondent enclosed his business card with the copies he forwarded by First Class Mail.

The Promissory Note sets forth the date of maturity as September 29, 2010, the amount as \$18 million and the beneficiary as Customer ADC. The Promissory Note stated the following:

For value received, we, CHASE BANK, hereby issue our irrevocable, assignable and transferrable Promissory Note in favor of [Customer ADC dba IIS] in the amount of United States Dollars \$18,000,000.00

We guarantee payment on the date of maturity the total principal amount being USD \$18,000,000.00 to the holder or bearer thereof.

We hereby guarantee payment to the drawers, endorsers, and bona fide holders of this Promissory Note.

We guarantee payment in compliance with the terms of this Promissory Note that it will rank pari passu with all obligations of the issuing bank and the same shall be duly honored on due presentation to Chase Bank.

Except as otherwise expressly stated herein, this Promissory Note is free and clear from all deductions of any taxes, levies or duties

present or future of any nature imposed under the laws of the government of or any jurisdiction thereof or therein.

The Readiness Letter is addressed to Customer ADC, notes the transaction reference as the "Cash First Program," and references the account number assigned to the Customer ADC account. The Readiness Letter stated the following:

We hereby confirm, as per the above-referenced transaction, our readiness to issue our Promissory Note(s) with full bank responsibility in the amount of 100,000,000 USD as per the attached text for a term of one (1) year.

The said Promissory Note(s) will be issued on a delivery versus payment basis to your designated beneficiary, in exchange for a deposit in the amount of USD 100,000,000 on your behalf.

Furthermore, we will immediately issue one or more Promissory Note(s) in the total amount of 18,000,000 USD with a term of 90 days or less, to any beneficiary designated by you upon the receipt of cleared funds into CHASE account# [REDACTED] in the amount of 100,000,000 USD. Furthermore these Promissory Notes will be issued free of any liens or encumbrances.

The Validation Letter is entitled "Bank Validation and Confirmation Letter." It is addressed to Customer ADC, identifies the bank officer as Respondent, notes the transaction reference as the "Cash First Program" and references the account number assigned to the Customer ADC Account. The Validation Letter also indicates that it is "c/o: Top USA Brokerage Company." The Validation Letter stated the following:

WE, CHASE BANK, HEREBY CONFIRM, WITH FULL BANK RESPONSIBILITY:

- 1. THAT THE ATTACHED BANK INSTRUMENTS, PROMISSORY NOTE # [REDACTED] - \$100,000,000 ARE, IN FACT, TRUE AND EXACT COPIES OF BANK INSTRUMENTS ISSUED BY:***

CHASE BANK
TX1-3283
905 N. JUPITER RD. STE 200
RICHARDSON, TEXAS 75081

2. *THAT [CUSTOMER ADC] IS THE LEGAL OWNER AND BENEFICIARY OF SAID INSTRUMENT; AND,*
3. *THAT THERE ARE NO LIENS OR ENCUMBRANCES ON THESE BANK INSTRUMENTS, WHATSOEVER; AND*
4. *THAT THE ATTACHED BANK INSTRUMENTS ARE PAYABLE AND CALLABLE WITHOUT OFFSET OR FEES, AFTER RECEIPT OF CLEARED FUNDS, AT THE WINDOW OF OUR BANK AT THE ADDRESS INDICATED ON THIS DOCUMENT.*

Respondent did not have authority to approve the issuance of any loans or notes on behalf of Chase Bank.

Chase Bank lacked any knowledge of Respondent's activities regarding the creation and distribution of the Promissory Note, Readiness Letter and Validation Letter or the prospective transaction pursuant to which Respondent created and distributed them.

Chase Bank did not authorize the issuance of the Promissory Note, Readiness Letter and Validation Letter or approve the issuance of the note reflected therein.

The creation and distribution of the above referenced false and misleading documents violated FINRA Rule 2010.

Misrepresentations of Authority

By signing the Promissory Note, Readiness Letter and Validation Letter that he provided to JB and by causing another employee of Chase Bank to sign those documents as a witness, Respondent represented that he was authorized by Chase Bank to approve the issuance of the \$18 million loan. As noted above, that representation was not true.

Respondent had e-mail communications with JB and others concerning the Cash First Program and the Promissory Note by which he negotiated the terms of the Promissory Note, Readiness Letter and Validation Letter.

In an e-mail dated September 1, 2010 from JB to Respondent, JB wrote, "As I mentioned yesterday, if the promissory note can be modified to make BC Company as the beneficiary, I can have a contract drawn up within 48 hours." (the "JB September 1, 2010 E-Mail")

In response to the JB September 1, 2010 E-Mail, Respondent forwarded an e-mail dated September 2, 2010 to JB in which he wrote, "Thanks for your patience as I ironed out the details with Customer ADC. Please review and share any concerns. I am confident that these documents will allow everyone to meet our compliance demands and create a positive revenue generating relationship for all." (the "September 2, 2010 Reply E-Mail")

The September 2, 2010 Reply E-Mail attached updated versions of the Promissory Note, Readiness Letter and Validation Letter. The new version of the Promissory Note was dated September 2, 2010, set forth December 2, 2010 as the new maturity date and changed the named beneficiary from ADC to BC Company FBO ADC. The new version of the Readiness Letter and the Validation Letter also change the identity of the account holder and/or beneficiary from ADC to BC Company FBO ADC.

By engaging in discussions with JB regarding the prospective business deal and negotiating the terms of a promissory note that was to be issued by Chase Bank pursuant to that prospective business deal, and by providing to JB updated copies of the Promissory Note, Readiness Letter and Validation Letter incorporating the newly negotiated terms, Respondent represented that he had authority to negotiate and approve the issuance of promissory notes on behalf of Chase Bank.

Chase Bank did not authorize Respondent to negotiate, approve or issue promissory notes on its behalf.

Based on the foregoing, Respondent violated FINRA Rule 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 suspended in all capacities for two years from associating with any FINRA member and pay a fine of \$10,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the two-year suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

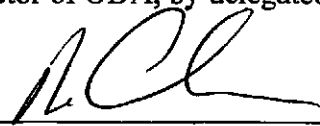
Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, Respondent may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See FINRA Rules 8310 and 8311.)

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.

FINRA

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

A handwritten signature in black ink, appearing to read 'R. Chin', is written over a horizontal line.

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