

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

Department of Enforcement,

Complainant,

v.

Christopher E. Clements,
CRD No. 1695798

Respondent.

Disciplinary Proceeding
No. 2011028107201

Hearing Officer: MAD

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

INTRODUCTION

Disciplinary Proceeding No. 2011028107201 was filed on February 3, 2014 by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Christopher Clements submitted an Offer of Settlement (Offer) to Complainant dated October 3, 2014. 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 Offer of Settlement, 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 by the Offer of Settlement, 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

In November 1988, Clements became registered as a general securities representative with a FINRA-registered firm. In January 2004, he became registered in the same capacity with Calamos Financial Services LLC ("Calamos"). He remained with Calamos until May 2011, at which time he was permitted to resign. In July 2011, he became registered with another FINRA-registered firm and remained with that firm until November 4, 2013, at which time he voluntarily terminated his registration. Since that time, he has not been registered with a FINRA-registered firm. Although Clements 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 (1) the Complaint was filed within two years after the effective date of termination of his registration with a FINRA-registered firm, namely, November 4, 2013, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FINDINGS AND CONCLUSIONS

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

- Between 2004 and 2011, Clements was employed as a regional sales director at Calamos and was responsible for promoting and selling financial products offered by his employer to financial advisors and registered representatives at other firms. In this role, Clements regularly traveled from his home in Connecticut to locations in and around New York City.

- During all relevant times, Calamos had a policy of reimbursing its registered representatives for travel-related expenses, including, but not limited to, weekly train passes, car mileage and tolls. To obtain reimbursement, Clements was required to prepare and electronically submit expense reports detailing his travel-related expenses.
- Between January 2009 and March 2011, Clements prepared and electronically submitted expense reports on numerous occasions in which he claimed that he had incurred travel-related expenses for car mileage and tolls, for business trips into and out of New York City. In fact, however, he had traveled to and from New York City by train on those occasions, had sought and received reimbursement for his train fares and had not incurred charges for car mileage and tolls.
- Following submission of the false travel-related expense reports referenced above, Calamos reimbursed Clements approximately \$9,000 for car mileage and tolls to and from New York City to which Clements was not entitled and which Clements converted for his own use.
- By submitting false expense reports to Calamos claiming he was owed reimbursement for approximately \$9,000 in charges for car mileage and tolls, when in fact he had not incurred those expenses and had instead traveled to and from New York City by train, Clements violated FINRA Rule 2010.
- By submitting false expense reports to Calamos and by obtaining and accepting approximately \$9,000 from the firm as reimbursement for those false travel-related expenses, Clements converted funds from his employer, in violation of FINRA Rule 2010.

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 barred from associating with any FINRA member in any capacity.

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.

Date: October 20, 2014

FINRA

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

A handwritten signature in black ink, appearing to read "Richard A. March", is written over a horizontal line.

Richard A. March
Senior Regional Counsel
Mark Koerner
Regional Chief Counsel and AVP
FINRA Department of Enforcement
55 West Monroe Street, Suite 2700
Chicago, IL 60603
Phone: 312 899-4351
Fax: 312 899-4600
e-mail: richard.march@finra.org