

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Brandon R. Carter (CRD No. 5678495),

Respondent.

DISCIPLINARY PROCEEDING
No. 2012032932101

Hearing Officer:

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. On March 3, 2012, while working as a registered personal banker at JP Morgan Chase Bank ("Chase Bank") and Chase Investment Services Corp. ("CISC" or "the Firm"), Brandon R. Carter ("Carter") falsely reported that the debit cards for three Chase Bank customers were lost.

2. He then requested "replacement" debit cards and improperly created new personal identification "PIN" numbers for each of the cards.

3. Carter engaged in these activities without the customers' knowledge.

4. On March 7 and 8, 2012, the new debit cards requested by Carter without customer authorization were used by individuals other than the customers to withdraw \$4,000 from the accounts through ATMs.

5. Carter's conduct in falsely reporting the debit cards as lost and in requesting "replacement" cards and creating PIN numbers for the cards without authorization from the customers violated FINRA Rule 2010.

RESPONDENT AND JURISDICTION

6. In April 2010, Carter entered the securities industry as an Investment Company Products/Variable Annuity Contracts Representative ("IR"), with Chase Bank's brokerage affiliate CISC.

7. He remained in that capacity until his voluntary resignation in March 2012.

8. Between March and August 2012, Carter worked for registered firm Citigroup Global Markets, Inc. ("Citi") and its banking affiliate.

9. He was terminated on August 6, 2012, by Citi and its banking affiliate.

10. The Form U5 filed by Citi in connection with his termination stated that he had been terminated for "violating internal bank policy regarding inappropriate viewing of accounts and other issues. Not securities related."

11. Although Carter is not currently associated with a registered firm, 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 Carter's registration with a FINRA registered firm and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

CAUSE OF ACTION

(Dishonest Activity Involving Customer Debit Cards—FINRA Rule 2010)

12. On March 3, 2012, Carter's last day of work at Chase Bank and CISC, he submitted requests for "replacement" debit cards ("the debit cards") for the accounts of three Chase Bank customers—AL, RC and SK—without the customers' approval or knowledge.

13. For each request, Carter falsely noted in Chase Bank's system that each customer had lost his or her existing debit card.

14. Carter then created a new PIN number for each card.

15. Carter directed that the replacement debit cards be sent, via UPS, directly to the branch office where he worked rather than to the customers' mailing addresses on file at Chase Bank.

16. Carter engaged in each of these activities without the knowledge of the customers for the cards.

17. Carter resigned from Chase Bank at the end of the work day on March 3.

18. On the morning of March 7, 2012, the replacement debit cards arrived at Carter's former branch office.

19. On March 7 and 8, 2012, the replacement debit cards were used by persons other than the customers, and without the customers' knowledge or consent, to access the customers' accounts and to withdraw \$4,000 from the accounts through various ATM machines located throughout New York.

20. As set forth above, by falsely reporting the debit cards as lost and by requesting “replacement” cards and creating PIN numbers for the cards without authorization from the customers, Carter violated FINRA Rule 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent(s) committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed
- C. order that Respondent(s) 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: December 30, 2013



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