

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

CANDIUS J. BANNISTER,
(CRD No. 5335832)

Respondent.

Disciplinary Proceeding
No. 2012033565601

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Candius J. Bannister (Bannister), while associated with Edward D. Jones & Co., L.P. (Edward Jones or the Firm), borrowed a total of \$31,500 from a customer, in contravention of Edward Jones's procedures and FINRA's rules. As a result, Bannister violated NASD Conduct Rules 2370 (for conduct prior to June 14, 2010) and 2110 (for conduct prior to December 15, 2008) and FINRA Rules 3240 (for conduct commencing on June 14, 2010) and 2100 (for conduct commencing on December 15, 2008).

RESPONDENT AND JURISDICTION

2. Bannister entered the securities industry in May 2007, when she became associated with FINRA member firm Edward Jones. Bannister was first registered as a general securities representative in June 2007. Bannister was associated with Edward Jones from May 2007 through May 2012. Bannister was then associated with another FINRA member firm as a general securities representative from May 2012 through May 16, 2014. A

Uniform Termination Notice for Securities Industry Registration (Form U5) was filed on behalf of Bannister on May 29, 2014.

3. Bannister is no longer registered or associated with a FINRA member. Although Bannister is no longer registered or associated with a FINRA member firm, she 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 Respondent's registration by a FINRA member firm, namely, May 29, 2014; and (2) the Complaint charges Bannister with misconduct committed while she was associated with a FINRA member firm.

**CAUSE OF ACTION
NASD Conduct Rules 2370 and 2110 and FINRA Rules 3240 and 2010
(Borrowing from a Customer)**

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. Bannister and R.S.G. have had a personal relationship outside their broker/client relationship since at least 2000.
6. In or about July 2007, R.S.G. opened an account with Edward Jones and Bannister served as the representative for R.S.G.'s account.

First Promissory Note

7. In September 2007, R.S.G. loaned Bannister \$5,000.
8. Bannister drafted a promissory note evidencing the \$5,000 loan and on September 24, 2007, R.S.G. and Bannister executed the promissory note.
9. The \$5,000 promissory note had a one year maturity and carried a 6% interest rate.
10. On or about October 17, 2007, R.S.G. loaned Bannister an additional sum of \$2,500.

11. The promissory note was then amended to reflect a total amount of \$7,500, but neither the maturity date nor the interest rate was altered.
12. Bannister did not request or receive pre-approval from Edward Jones before she accepted the \$7,500 loan from R.S.G.
13. Bannister has not repaid the \$7,500 loan, as required by the promissory note.

Second Promissory Note

14. A little over a year later, on or about November 24, 2008, R.S.G. loaned Bannister an additional \$24,000.
15. Once again Bannister prepared a promissory note evidencing the loan, which both Bannister and R.S.G. executed on November 26, 2008.
16. The \$24,000 promissory note included a term of five years, required annual interest at a 6% rate, and monthly interest payments of \$200.
17. Bannister did not request or receive pre-approval from Edward Jones before she accepted the \$24,000 loan from R.S.G.
18. Bannister has not repaid the \$24,000 loan, as required by the promissory note.

Edward Jones's Written Supervisory Procedures

19. Edward Jones's written supervisory procedures (WSPs) in effect at the time Bannister borrowed the money from R.S.G. did not generally allow lending arrangements with clients.
20. Edward Jones's WSPs provided that the Firm may grant written exceptions to this policy in instances involving loans between immediate family members who are clients of the firm, and in certain other situations, none of which were applicable here.

21. Edward Jones's WSPs also required that all loan requests be submitted on a firm-supplied request form and be pre-approved in writing by the firm.
22. Bannister did not submit any loan request forms to Edward Jones in connection with the loans she received from R.S.G.
23. Bannister did submit audit questionnaires on an annual basis to Edward Jones during the period from 2007 to 2012.
24. In these questionnaires Bannister acknowledged her understanding of Edward Jones's procedures.
25. As a result of the foregoing conduct, Bannister violated NASD Conduct Rules 2370 (for conduct prior to June 14, 2010) and 2110 (for conduct prior to December 15, 2008) and FINRA Rules 3240 (for conduct commencing on June 14, 2010) and 2010 (for conduct commencing on December 15, 2008).

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. Make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. Order that one or more of the sanctions provided under FINRA Rule 8310(a) be imposed, including that Respondent be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest; and
- C. Order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

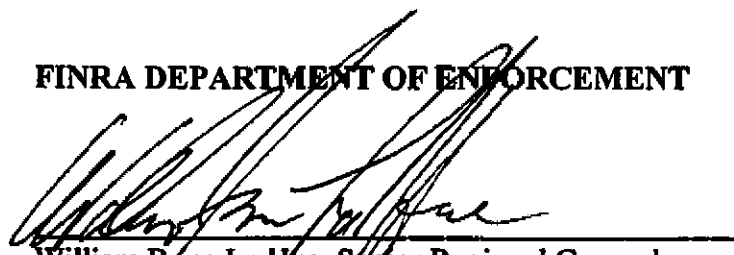
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Date: 9/12/14

FINRA DEPARTMENT OF ENFORCEMENT



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