

**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

Hearing Officer: AHP

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: February 13, 2015

INTRODUCTION

Disciplinary Proceeding No. 2012033565601 was filed on September 12, 2014, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Candius J. Bannister (Bannister or Respondent) submitted an Offer of Settlement (Offer) to Complainant dated February 11, 2015. 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

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.

FINDINGS AND CONCLUSIONS

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

1. Bannister, while associated with Edward Jones, 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 2010 (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.
4. Bannister and R.S.G. have had a personal relationship outside their broker/client relationship since at least 2000.
5. 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

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

11. Bannister did not request or receive pre-approval from Edward Jones before she accepted the \$7,500 loan from R.S.G.
12. Bannister has not repaid the \$7,500 loan, as required by the promissory note.

Second Promissory Note

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

Edward Jones's Written Supervisory Procedures

18. 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.
19. 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.
20. 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.

21. Bannister did not submit any loan request forms to Edward Jones in connection with the loans she received from R.S.G.
22. Bannister did submit audit questionnaires on an annual basis to Edward Jones during the period from 2007 to 2012.
23. In these questionnaires Bannister acknowledged her understanding of Edward Jones's procedures.

Based on the foregoing, Respondent 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).

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:

- Fined in the amount of \$5,000; and
- Suspended for a period of six months from association with any FINRA member in all capacities.

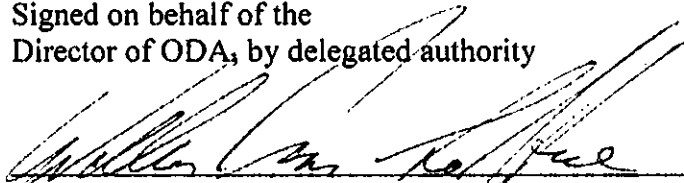
The fine shall be due and payable either immediately upon reassociation with a member firm following the six-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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 'William Brice La Hue', is written over a horizontal line.

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