

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037743101**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Jeffrey Scott Davis, Respondent
General Securities Representative
CRD No. 3081852

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Jeffrey Scott Davis ("Respondent") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, 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, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Respondent entered the securities industry in June 1998 and became registered with FINRA as a General Securities Representative (Series 7) in September 2000.¹ From June 1998 through July 2013, Respondent was associated with three FINRA-regulated firms, including Ameriprise Financial Services ("Ameriprise" or the "Firm").

Respondent became associated with Ameriprise on September 1, 2000 and remained with the Firm as an independent contractor until he was terminated on July 19, 2013. In a Form U5 Uniform Termination Notice for Securities Industry Registration dated July 24, 2013, Ameriprise reported that Respondent was terminated for misappropriating customer funds to "pay personal credit cards" held in his name.

Since his termination from Ameriprise, Respondent has not been associated with a FINRA-regulated firm, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws.

¹ Respondent also acquired the following securities licenses: Series 6 (Limited Registered Representative) in July 1998, Series 63 (State Law Uniform Securities Agent) in December 1998, and Series 65 (Uniform Investment Advisor) in January 1999.

RELEVANT DISCIPLINARY HISTORY

Respondent has no relevant FINRA disciplinary history.

OVERVIEW

From May 2012 through June 2013 (the "Relevant Period"), Respondent, while registered with the Firm, converted \$116,976.69 from five Firm customers for his personal use and benefit by initiating 71 unauthorized electronic Automated Clearing House ("ACH") payments from the customers' brokerage accounts to personal credit card accounts held in his name. By converting customer funds, Respondent violated FINRA Rules 2150 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2150(a) provides that no member or person associated with a member shall make improper use of a customer's funds. Improper use of customer funds constitutes conversion when there is an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it.

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.

During the Relevant Period, Respondent converted \$116,976.69 from the brokerage accounts of Firm customers for his personal use and benefit. Specifically, Respondent effected 71 unauthorized electronic ACH payments totaling \$116,976.69 from the brokerage accounts of customers MVM, MAC, BRJ, GBW, and JGW and directed those funds to three of his personal credit card accounts. None of the customers permitted Respondent to transfer or otherwise use their funds for any purpose.

The following chart summarizes the unauthorized ACH payments effected by Respondent:

Customer	Quantity	Amount
MVM	13	\$ 28,713.34
MAC	7	\$ 18,250.00
BRJ	14	\$ 39,311.31
GBW	26	\$ 7,880.70
JGW	11	\$ 22,821.34
		\$ 116,976.69

Based on the conduct described above, Respondent violated FINRA Rules 2150 and 2010 by converting \$116,976.69 in customer funds for his personal use and benefit.

B. Respondent also consents to the imposition of the following sanctions:

A bar from association with any FINRA-regulated firm.

Respondent understands that if he is barred or suspended from associating with any FINRA member, Respondent 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 AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

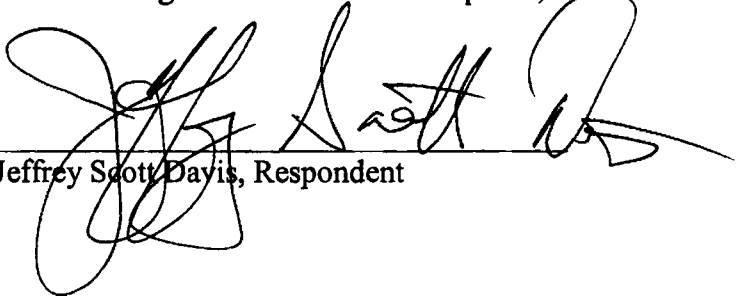
Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against him; and
- C. If accepted:
 - 1. this AWC will become part of his permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about his disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects his: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent, Jeffrey Scott Davis, certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce him to submit it.

2-28-14

Date (mm/dd/yyyy)


Jeffrey Scott Davis, Respondent

Reviewed by:



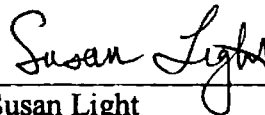
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Accepted by FINRA:

3/11/14

Date

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



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