

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037965101**

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

**RE: John Lamar Gibson, Respondent
CRD No. 1394299**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I submit 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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

John Lamar Gibson ("Gibson") entered the securities industry on July 1, 1985, when he associated with J.J.B. Hilliard, W.L. Lyons, LLC ("Hilliard Lyons" or the "Firm"). Gibson became Series 7, 63 and 65 licensed on September 21, 1985, October 17, 1985, and November 6, 2000, respectively.

On August 13, 2013, Hilliard Lyons filed a Form U5 disclosing that Gibson was discharged on August 1, 2013 after he "admitted to using client funds for his personal benefit in violation of his fiduciary duty granted under a power of attorney and in violation of the firm's code of ethics." The Form U5 further explained that "while the POA granted him with broad powers to deposit and withdraw funds, the use of those funds should be in the best interest of the client." Although Gibson has not reassociated with another FINRA regulated broker-dealer, pursuant to Article V, Section 4(a) of FINRA's By-Laws, FINRA retains jurisdiction over Gibson until August 12, 2015.

RELEVANT DISCIPLINARY HISTORY

Gibson has no disciplinary history in the securities industry.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2150(a) provides that “[n]o member or person associated with a member shall make improper use of a customer’s securities or funds.” FINRA Rule 2010 requires associated persons to “observe high standards of commercial honor and just and equitable principals of trade.”

From September 2011 to July 2013, Gibson, a registered representative with Hilliard Lyons, a FINRA regulated broker-dealer, improperly used customer funds when he misused two powers of attorney to transfer approximately \$60,000 from his mother’s IRA at Hilliard Lyons to her personal bank account at ABC Bank, and, from there, wrongfully withdrew the funds for his personal use. Although the powers of attorney included provisions allowing the attorney-in-fact, Gibson, to make gifts, including to himself, the applicable law provides that those gifts must be made with the utmost good faith and in accordance with his mother’s history of personal giving. There is no evidence that Gibson’s withdrawals from his mother’s accounts were in accordance with her history of personal giving.

Although Gibson repaid the funds after his improper use was discovered, he violated FINRA Rules 2150 and 2010.

B. I also consent to the imposition of the following sanctions:

A bar from association with any FINRA regulated broker-dealer in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I 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

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;**
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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

I understand 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 me; and**
- C. If accepted:**

1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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. I 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. I 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 my: (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.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have 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 me to submit it.

March 26, 2014
Date (mm/dd/yyyy)


John Lamar Gibson, Respondent

Accepted by FINRA:

4/3/14
Date

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


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