

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014039275901**

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

RE: J.P. Turner & Company, LLC, Respondent
Member Firm
CRD No.43177

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, J.P. Turner & Company, LLC (hereinafter, "J.P. Turner," "Firm," or "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 me 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 has been a FINRA member since July 21, 1997 with its principal office located in Atlanta, Georgia. Respondent is also a member of Municipal Securities Rulemaking Board. Respondent engages in a general securities business employing over 150 registered representatives in approximately 75 branch offices located nationwide.

RELEVANT DISCIPLINARY HISTORY

In December 2013, in connection with FINRA Matter No. 2011026098501, pursuant to a Letter of Acceptance, Waiver and Consent, J.P. Turner consented to sanctions consisting of a censure and restitution in the amount of \$707,559.53. From January 2008 through August 2009, the Firm failed to establish and maintain a supervisory system reasonably designed to monitor transactions in leveraged, inverse, and inverse-leveraged Exchange-Traded Funds ("Non-Traditional ETFs") in violation of NASD Rules 3010 and 2110 and FINRA Rule 2010. In addition, the Firm violated NASD Rules 2310 and 2110 and FINRA Rule 2010, through certain of its registered representatives, by making unsuitable recommendations of Non-Traditional ETFs to its customers. In addition, from February 2008 through April 2010, the Firm, through certain registered representatives, violated NASD Rules 2310 and 2110, IM-2310-2, and FINRA Rule 2010 by engaging in a pattern of unsuitable mutual fund switching, and the Firm violated NASD Rules 3010 and 2110 and FINRA Rule 2010 by failing to establish and maintain a supervisory system reasonably designed to prevent unsuitable mutual fund switching.

In June 2009, in connection with FINRA Matter No. 2007007138003, pursuant to a Letter of Acceptance, Waiver and Consent, J.P. Turner consented to sanctions consisting of: (1) a fine in the amount of \$525,000; and (2) an undertaking for violating, among many other rules, NASD Conduct Rules 2212(a) & (d), 2110 and MSRB Rule G-39. From January 2005 to March 2007, J.P. Turner failed to place 42 individuals and two corporations on the Firm's do-not-call ("DNC") registry and failed to place seven individuals listed on its Firm's DNC registry in a timely manner. Additionally, among other things, J.P. Turner permitted registered representatives to call five individuals and three corporations the Firm's DNC registry and 28 telephone numbers listed on the national do-not-call ("NDNC") registry.

OVERVIEW

J.P. Turner did not prevent registered representatives from making multiple telephone calls to numbers on the Firm's DNC registry and on the NDNC registry and further failed to establish, maintain and enforce a supervisory system, as required under FINRA Rule 3230, to ensure that its registered representatives did not contact individuals that were listed on the Firm's DNC registry and the NDNC registry, in violation of FINRA Rules 3230(a), 3230(d) and 2010.

Additionally, J.P. Turner failed to deliver Official Statements ("OS") to customers in connection with sales of municipal securities, as required by MSRB Rule G-32, and failed to enforce its written supervisory procedures ("WSPs"), in violation of MSRB Rules G-32 and G-27.

FACTS AND VIOLATIVE CONDUCT

Telemarketing Violations

The SEC approved FINRA's proposed rule change to replace NASD Conduct Rule 2212 (Telemarketing) with FINRA Rule 3230 (Telemarketing) in the FINRA Consolidated Rulebook, taking into account certain requirements under NYSE Rule 440A (Telephone Solicitation) and its Interpretation. Further, the new rule adopted provisions that are substantially similar to the Federal Trade Commission ("FTC") rules that prohibit deceptive and other abusive telemarketing acts or practices. FINRA Rule 3230 became effective on June 29, 2012. (See Regulatory Notice 12-17).

FINRA Rule 3230(a) in pertinent part states that:

No member or person associated with a member shall initiate any outbound telephone call to... any person that previously has stated that he or she does not wish to receive an outbound telephone call made by or on behalf of the member; or any person who has registered his or her telephone number on the Federal Trade Commission's national do-not-call registry.

Further FINRA Rule 3230(d) requires that:

Prior to engaging in telemarketing, a member must institute procedures to comply with paragraph (a). Such procedures must meet the following minimum standards:

(3) Recording, disclosure of do-not-call requests. If a member receives a request from a person not to receive calls from that member, the member must record the request and place the person's name, if provided, and telephone number on the firm's do-not-call list at the time the request is made. Members must honor a person's do-not-call request within a reasonable time from the date such request is made. This period may not exceed 30 days from the date of such request. If such requests are recorded or maintained by a party other than the member on whose behalf the outbound telephone call is made, the member on whose behalf the outbound telephone call is made will be liable for any failures to honor the do-not-call request.

During the period from September 2013 through July 2014, J.P. Turner did not prevent registered representatives from making multiple telephone solicitations to at least 144 numbers on the Firm's DNC registry and on the NDNC registry and further failed to establish, maintain and enforce a supervisory system, as required under FINRA Rule 3230, to ensure that its registered representatives did not contact individuals that were listed on the firm's DNC registry and the NDNC registry.

Since 2009, J.P. Turner required branch offices that engaged in telemarketing to use a third-party system that was integrated into J.P. Turner's phone system to screen calls against the NDNC registry and the Firm's DNC. The Firm's technology department would forward the firm's DNC registry to the third-party provider for inclusion in its database. In 2012, J.P. Turner stopped using the third-party provider on a company-wide basis, and instead, created an in-house system. The in-house system required registered representatives to access the Firm's intranet and check telephone numbers against the Firm's DNC and the NDNC. However, when J.P. Turner ceased using the third-party provider on a company-wide basis, one of its offices, was authorized to continue to utilize the third-party system. Yet when J.P. Turner ceased using the third-party provider, its technology department stopped providing the third-party provider with the Firm's DNC registry. As a result, the branch office still using the third-party system was not screening its calls against the Firm's DNC registry.

As a result of the foregoing, J.P. Turner violated FINRA Rules 3230(a), 3230(d) and 2010.

Failure to Provide Required Notice to Customers Regarding Official Statement Delivery

MSRB Rule G-32(a) requires firms to deliver an OS, prior to settlement date, in connection with the sale of offered municipal securities. In lieu of physical delivery of the OS, MSRB Rule G-32(a)(iii)(B) allows firms to provide notice to the customer advising: (i) how to obtain the OS from the EMMA system and (ii) that the firm will provide a copy of the OS upon request.

According to the Municipal Primary Offering Disclosure Report, between July 2013 and April 2014, J.P. Turner executed 70 sales of offered municipal securities in the secondary market within the primary offering disclosure period. J.P. Turner did not deliver an OS in connection with these sales. Instead, J.P. Turner included a statement in the trade confirmations advising customers that “complete information will be provided upon request.” The confirmation statements, however, did not include the required notification advising customers of the availability of the OS on the EMMA system and how to obtain it. Such notice did not satisfy the requirements of Rule G-32(a)(iii)(B). Additionally, J.P. Turner failed to enforce its WSPs to ensure the delivery of OSs to customers.

As a result of the foregoing conduct, J.P. Turner violated MSRB Rules G-32(a) and G-27.

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

A censure and a fine in the amount of \$75,000 (\$35,000 of which pertains to the violations of MSRB Rules G-32(a) and G-27).

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

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 it;
- 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 Chief Legal Officer, 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

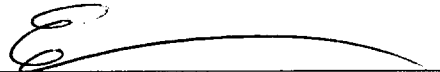
Respondent understands that:

- 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 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 Respondent's: (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.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that Respondent 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 Respondent to submit this AWC.

J.P. Turner & Company, L.L.C., Respondent

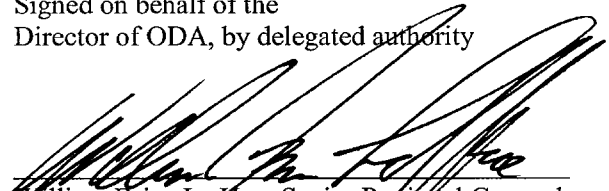
11/4/2015
Date

By: 
Title: CCO

Accepted by FINRA:

11/18/2015
Date

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


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