

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014040342101**

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

RE: Allen R. Maddox, Respondent
CRD No. 5765810

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

Allen R. Maddox ("Maddox") worked at J.P. Morgan Chase Bank, N.A. ("Chase Bank") as a personal banker. He entered the securities industry in March 2010, when he became employed with Chase Investment Services Corp. ("Chase"), a FINRA regulated broker-dealer and an affiliate of Chase Bank. Maddox became registered as a Series 6 Investment Company Products/Variable Contracts Representative with Chase in June 2010. In October 2012, Maddox became registered with J.P. Morgan Securities LLC ("JP Morgan") when Chase mass transferred Maddox's registration to JP Morgan as the result of a name change. On February 28, 2014, JP Morgan filed a Form U5 disclosing that Maddox's employment was terminated on February 6, 2014, after he "admitted to adding an individual to an existing bank customer's account after allowing the individual to view the customer's original signature card and sign the customer's name to the new signature card." In May 2014, Maddox became associated with another FINRA regulated broker-dealer. On August 15, 2014, that broker-dealer filed a Form U5 on Maddox's behalf, disclosing that Maddox voluntarily terminated his employment with it on August 14, 2014. In October 2014, another FINRA

regulated broker-dealer filed a non-registered fingerprint form for Maddox. That broker-dealer terminated Maddox's non-registered fingerprint status in November 2014. Although Maddox 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 Maddox.

RELEVANT DISCIPLINARY HISTORY

Maddox does not have any relevant disciplinary history in the securities industry.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2010 requires associated persons to "observe high standards of commercial honor and just and equitable principals of trade." It is a broad ethical rule that encompasses any unethical behavior if "the misconduct reflects on the associated person's ability to comply with the regulatory requirements of the securities business and to fulfill his fiduciary duties in handling other people's money." Falsifying documents, or allowing or assisting others to falsify documents, violates FINRA Rule 2010.

As a personal banker at Chase Bank, one of Maddox's duties was assisting customers with their retail bank accounts, including opening new accounts, making changes to customers' accounts, and answering customers' questions about their accounts. One of the customers that Maddox assisted at Chase Bank was JS. In or around August 2013, JS asked Maddox to assist him with adding JS's girlfriend, TC, to JS's Chase Bank account.

On August 31, 2013, TC went to the bank branch where Maddox worked to sign a signature card to be added to JS's account. Maddox met with TC and gave her a blank signature card, telling her to sign on one line for JS and on the other line for herself. When TC expressed to Maddox that she did not know what JS's signature looked like, Maddox showed TC the original signature card with JS's signature on it. Maddox did this so that TC could sign JS's name in the same way that JS signed. After TC signed JS's name, Maddox did not make any notation or indication on the card that JS's name had been signed by TC, nor did he instruct TC to make any such notation. Maddox then submitted the signature card to Chase Bank.

Both Chase Bank and JP Morgan had policies and procedures prohibiting the falsification of records. Specifically, employees were reminded not to falsify any record that relates to the business of the company, and were "prohibited from doing anything to impair the authenticity of any documentation," from encouraging others to falsify information, and from signing for customers, or allowing someone other than the customer to sign for the customer.

By assisting TC with falsifying a bank signature card, Maddox violated FINRA

Rule 2010.

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

A one-month suspension from associating with any FINRA member in any capacity and a \$5,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the one-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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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.

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 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.

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 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. 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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of

demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

12/23/14
Date (mm/dd/yyyy)


Allen R. Maddox, Respondent

Accepted by FINRA:

1/22/15
Date

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


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