

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2019063636301**

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

RE: James A. Conant (Respondent)
Former General Securities Principal
CRD No. 2325682

Pursuant to FINRA Rule 9216, Respondent James A. Conant 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 in this AWC.

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

Conant entered the securities industry in January 1993. He was associated with several FINRA member firms from January 1993 through November 2001. Conant became registered with FINRA as a General Securities Representative in December 2001 and as a General Securities Principal in March 2003 through his association with MML Investors Services, LLC (MML). On August 14, 2019, MML submitted a Uniform Termination Notice for Securities Industry Registration (Form U5) Conant's behalf, which stated that Conant had been discharged because the firm was "no longer willing to support special supervision" related to a lack of compliance with timely reporting liens and judgements.

Although Conant is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws.

Conant does not have any relevant disciplinary history.

OVERVIEW

Between 2010 and 2018, Conant willfully failed to timely amend his Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose 13 tax liens and one judgment totaling \$397,650, in violation of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter arises from Conant's Form U5 filing.

Article V, Section 2(c) of FINRA's By-Laws requires a registered representative to keep his or her Form U4 "current at all times." Amendments to Form U4 must be filed not later than 30 days after learning of the facts or circumstances giving rise to the amendment. FINRA Rule 1122 provide that "[n]o member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

Specifically, Question 14M of the Form U4 asks registered representatives, "Do you have any unsatisfied liens or judgments against you?" If a registered representative answers in the affirmative, he or she is required to provide detailed information about each reportable event, including the amount and date of the lien or judgment.

Violations of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rule 1122 also constitute violations of FINRA Rule 2010, which requires an associated person to observe high standards of commercial honor and just and equitable principles of trade.

Between 2010 and 2018, Conant engaged in a pattern of willfully failing to report disclosable events. Specifically, Conant willfully failed to timely disclose 13 liens and one judgment after MML had previously placed him on special supervision for previously failing to timely disclose tax liens. The thirteen liens and one judgment described below all constituted material information.

On December 1, 2015, Conant amended his Form U4 to disclose four IRS liens and one State of Georgia tax lien. The IRS tax liens disclosed were a March 29, 2010, lien for \$14,739, a January 23, 2012, lien for \$86,676, a March 1, 2013, lien for \$22,381, and a September 15, 2014, lien for \$46,410. The April 6, 2011, Georgia tax lien was for \$11,309. Conant became aware of the tax liens shortly after they were filed; however, he willfully failed to update his Form U4 to disclose the liens within 30 days of becoming aware of them.

In January 2017, Conant amended his Form U4 to disclose two IRS liens, a December 18, 2015, lien for \$27,435 and a January 21, 2016, lien for \$29,064. Conant became aware of the tax liens shortly after they were filed; however, he willfully failed to update his Form U4 to disclose the liens within 30 days of becoming aware of them.

On September 18, 2018, Conant made six Form U4 amendments. The amendments disclosed four Georgia tax liens, a civil judgment, and an IRS lien. The Georgia tax liens were a January 1, 2018, lien for \$272, a January 1, 2018, lien for \$11,814, a January 1, 2018, lien for \$38,416, and a May 17, 2018, lien for \$24,480. The October 3, 2017, civil judgment was for \$8,501. The IRS tax lien was dated January 18, 2018, in the amount of \$76,153. Conant became aware of the tax liens shortly after they were filed and the civil judgment shortly after it was entered; however, he willfully failed to update his Form U4 to disclose the liens and judgment within 30 days of becoming aware of them.

On November 15, 2018, Conant made a Form U4 amendment, disclosing an August 30, 2018, Georgia tax lien for \$15,470. Conant became aware of the lien shortly after it was filed; however, he willfully failed to update his Form U4 to disclose the lien within 30 days of becoming aware of it.

Therefore, Conant willfully failed to timely disclose material facts on his Form U4 on 14 occasions, in violation of FINRA's By-Laws and FINRA Rules 1122 and 2010.

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

- A six-month suspension from associating with any FINRA member in any capacity.

Respondent has submitted a statement of financial condition and demonstrated an inability to pay. In light of Respondent's financial status, no monetary sanctions have been imposed.

Respondent understands that this settlement includes a finding that he willfully omitted to state a material fact on a Form U4 on 14 occasions, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes him subject to a statutory disqualification with respect to association with a member.

The sanction imposed in this AWC shall be effective on a date set by FINRA.

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 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 its acceptance or rejection.

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

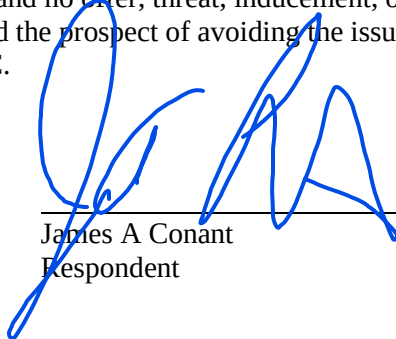
Respondent understands that:

- 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 action brought by FINRA or any other regulator against Respondent;
 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 its subject matter 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 testimonial obligations or 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 he 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.

Respondent 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; Respondent understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA for legal advice. Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

12/11/20
Date

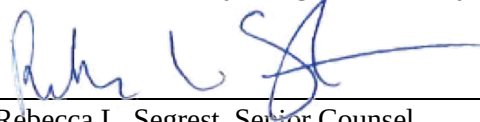

James A Conant
Respondent

Accepted by FINRA:

12/11/2020

Date

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



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