

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2023080557601**

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

RE: Jennifer L. Basey (Respondent)  
General Securities Representative  
CRD No. 4730054

Pursuant to FINRA Rule 9216, Respondent Jennifer L. Basey 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 accepts and consents to the following findings by FINRA without admitting or denying them:

**BACKGROUND**

Basey first became registered with FINRA as a General Securities Representative (GS) in January 2004 through an association with a member firm. From January 2020 to November 2023, Basey was registered as a GS through an association with Stifel Nicolaus & Company, Incorporated (CRD No. 793).

On November 24, 2023, Stifel filed a Uniform Termination Notice for Securities Industry Registration (Form U5) disclosing that Basey voluntarily resigned from the firm during an internal review into allegations that, among other things, Basey had settled customer complaints away from the firm.

Since November 16, 2023, Basey has been registered with FINRA as a GS through an association with another member firm.

On March 24, 2020, Basey submitted an AWC to FINRA in which she consented to FINRA's findings that she falsified one customer's signature and forged two customers' initials on firm paperwork used to facilitate her customers' authorized transfers of funds, in violation of FINRA Rule 2010. Basey was suspended for two months in all capacities and fined \$5,000.<sup>1</sup>

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<sup>1</sup> For more information about the respondent, including prior regulatory events, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

## **OVERVIEW**

Basey paid two customers a total of more than \$1,300 to settle complaints without her member firm's knowledge or consent on three different occasions between July 2021 and June 2023. As a result, Basey violated FINRA Rule 2010.

Stifel was initially unaware of these complaints or payments because Basey did not report them. Instead, Basey falsely stated in a November 2021 firm compliance questionnaire that she had not received any customer complaints in the past 12 months. Basey also communicated with these customers using an unapproved electronic communications channel not captured or supervised by the firm. By causing Stifel to maintain incomplete books and records, Basey violated FINRA Rules 4511, 4513 and 2010.

For these violations, Basey is suspended in all capacities for three months and fined \$10,000.

## **FACTS AND VIOLATIVE CONDUCT**

The matter originated from FINRA's review of the Form U5 filed by Stifel.

### **A. Basey settled customer complaints without the knowledge or consent of her member firm.**

FINRA Rule 2010 requires registered representatives to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Settling a customer complaint without the knowledge or approval of a registered representative's member firm is conduct inconsistent with just and equitable principles of trade and violates FINRA Rule 2010.

Throughout the relevant period, Stifel's written supervisory procedures (WSPs) required registered representatives to bring customer complaints to the attention of the branch supervisor and prohibited representatives from making payments to customers without notice to, and approval by, the firm.

In July 2021 and October 2021, Basey paid two customers, who are a married couple with joint accounts, a total of approximately \$1,050 after the customers complained about losses from a preferred stock that Basey recommended. In June 2023, Basey paid the same customers approximately \$300 after the customers complained about a commission charged on a purchase of a fund that Basey recommended. Basey did not inform Stifel about the customers' complaints or obtain the firm's approval to settle the complaints.

Therefore, Basey violated FINRA Rule 2010.

**B. Basey failed to report the customer complaints she received to her firm and communicated about securities-related business using a communication channel that was not approved or captured by her firm.**

FINRA Rule 4511 requires that each member “make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act rules.” Section 17(a) of the Securities Exchange Act of 1934 and Exchange Act Rule 17a-4(b)(4) require member firms to maintain, for a period of not less than three years, originals of all communications received, and copies of all communications sent, by the member relating to the member’s business.

FINRA Rule 4513 states that

“[e]ach member shall keep and preserve in each office of supervisory jurisdiction either a separate file of all written customer complaints that relate to that office (including complaints that relate to activities supervised from that office) and action taken by the member, if any, or a separate record of such complaints and a clear reference to the files in that office containing the correspondence connected with such complaints.”

A registered representative who causes her member firm to fail to comply with the recordkeeping obligations in FINRA Rules 4511 and 4513 violates those rules.

A violation of FINRA Rules 4511 and 4513 also violates FINRA Rule 2010.

At all relevant times, Stifel’s WSPs required representatives to disclose customer complaints to the firm and prohibited registered representatives from communicating with customers about securities-related business via unapproved communication channels, such as text messages.

Between 2020 and 2023, Basey exchanged over 480 text messages with the complaining customers through her personal mobile phone. These communications discussed securities-related business, such as investment recommendations, customer orders and trades, the customers’ complaints and Basey’s undisclosed payments to the customers. By using an unapproved communication channel, Basey caused Stifel to fail to capture or maintain these communications. Basey also failed to report the customer complaints she received to the firm, causing the firm to fail to keep a record of those complaints.

In an annual firm compliance questionnaire dated November 14, 2021, Basey falsely stated that she had not received any customer complaints in the past two months when she had received a complaint from the customers referenced above and made two payments to them. Additionally, in 2021, 2022, and 2023, Basey falsely attested on firm compliance questionnaires that she did not use text messaging on her personal device for business purposes. Basey also confirmed in the annual employee certifications during those years that she understood business-related texting was prohibited.

Therefore, Basey violated FINRA Rules 4511, 4513 and 2010.

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

- a three-month suspension from associating with any FINRA member in all capacities and
- a \$10,000 fine.

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 she proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

Respondent understands that if she is barred or suspended from associating with any FINRA member, she 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, she 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 in this AWC shall be effective on a date set by FINRA. The suspension shall become effective three weeks after the date of the notice of 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 her;
- 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;
  - 4. this AWC may be taken into consideration by employers and other regulatory or licensing entities or authorities in their hiring, retention, licensing, or other decisions. This AWC may also have other adverse collateral consequences outside of FINRA's control; and

5. 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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- 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 she 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 she has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; 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 her to submit this AWC.

5-1-26  
Date

Jennifer L. Basey  
Jennifer L. Basey  
Respondent

Reviewed by:

Scott Holcomb  
Scott Holcomb  
Counsel for Respondent  
Holcomb + Ward, LLP  
2296 Henderson Mill Road NE, #116  
Atlanta, Georgia 30345

Accepted by FINRA:

May 29, 2026  
Date

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

Sophia Kim  
Sophia Kim  
Principal Counsel  
FINRA  
Department of Enforcement  
Brookfield Place, 200 Liberty Street  
New York, NY 10281