

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

AMANDA ROSE KING
(CRD No. 6123711),

Respondent.

Disciplinary Proceeding
No. 20130358986

Hearing Officer – MC

DEFAULT DECISION

November 19, 2013

Respondent is barred from associating with any FINRA member firm in any capacity for converting customer funds, in violation of FINRA Rule 2010, and failing to provide testimony to FINRA, in violation of FINRA Rules 8210 and 2010.

Appearances

Akinyemi T. Akiwowo, Esq., New York, NY, for the Department of Enforcement.

No appearance by or for Respondent Amanda Rose King.

DECISION

I. Background

Respondent Amanda Rose King was employed as a personal banker with a bank affiliated with a FINRA member firm. Misusing her access to customer accounts, she misappropriated customer funds. When FINRA investigated Respondent's conduct and requested her to appear to provide testimony, she failed to do so.

The Department of Enforcement filed and served the attached two-cause Complaint upon Respondent on July 29, 2013. The first cause of action charges her with forgery and misappropriation of customer funds, in violation of FINRA Rule 2010. The second charges her with failure to appear and provide testimony, in violation of FINRA Rules 8210 and 2010.

Respondent did not file an Answer or otherwise respond to the Complaint. Consequently, Enforcement filed and served a Second Notice of Complaint. Because it, too, went unanswered, Enforcement filed a Motion for Entry of Default Decision ("Default Motion") supported by the Declaration and the Supplemental Declaration of Akinyemi T. Akiwowo, Esq., and five exhibits. King did not respond to the Default Motion.

Respondent's failure to file an Answer to the Complaint constitutes a default.¹

Accordingly, for the reasons set forth below, Enforcement's Default Motion is granted.²

II. Findings of Fact and Conclusions of Law

A. Jurisdiction

FINRA member JPMorgan Securities LLC ("JPMorgan" or "the Firm") briefly employed King, who was associated with the Firm as an unregistered sales assistant, as a personal banker at a West Monroe, Louisiana, branch of the Firm's affiliated bank.³ The Firm terminated King's employment on January 11, 2013, for converting customer funds.⁴ The termination of her association with the Firm became effective on February 9, 2013.⁵ Since then, King has not associated with any other member firm.⁶ Nonetheless, FINRA retains jurisdiction over King for the purposes of this disciplinary proceeding because (i) Enforcement filed the Complaint less than two years after the termination of her association with the Firm, and (ii) the Complaint

¹ *Dep't of Enforcement v. Verdiner*, No. CAF020004, 2003 NASD Discip. LEXIS 42, at *5 (N.A.C. Dec. 9, 2003).

² The factual determinations in this Decision are based on the allegations in the Complaint, which are deemed admitted pursuant to FINRA Rule 9269(a)(2), Enforcement's Default Motion, the Declaration of Akinyemi T. Akiwowo, Esq. ("Akiwowo Decl."), the Supplemental Declaration of Akinyemi T. Akiwowo ("Supplemental Decl."), and Enforcement's exhibits CX-1 through CX-5.

³ Akiwowo Decl. ¶ 2; Compl. ¶¶ 1, 3. The Firm employed Respondent from October 16, 2012, to January 11, 2013.

⁴ CX-1, at 1-2.

⁵ CX-1, at 5; Compl. ¶ 4.

⁶ Akiwowo Decl. ¶ 2; CX-1 at 5; Compl. ¶¶ 3-4.

charges King with engaging in misconduct while she was associated with a member firm and with failing to respond to requests for information issued within two years after her termination.⁷

B. Respondent Defaulted

Enforcement served the Complaint and Notice of Complaint on King on July 29, 2013, by certified and first-class mail at her residential address listed in the Central Registration Depository (“CRD address”).⁸ The Postal Service did not return the first-class mailing. It did return the receipt for the certified mailing, with a signature that was not King’s.⁹ King did not file an Answer or other response to the Complaint.¹⁰

Enforcement served the Complaint and Second Notice of Complaint, also by certified and first-class mail, on King at her CRD address on August 27, 2013.¹¹ The Postal Service did not return either mailing or the certified receipt.¹² King has not filed an Answer or other response to the Complaint and Second Notice of Complaint.¹³

Enforcement complied with Rule 9134 by mailing the Complaint and Notices of Complaint to King’s CRD address, thereby giving her constructive notice of this proceeding. By failing to file an Answer, King defaulted. Accordingly, pursuant to Rules 9215(f) and 9269(a)(2), the allegations in the Complaint are deemed admitted.

C. Respondent Misappropriated Customer Funds

FINRA Rule 2010 imposes on all registered persons the responsibility to conform their conduct to “high standards of commercial honor and just and equitable principles of trade.”

⁷ Compl. ¶ 4; FINRA By-Laws, Article V, Section 4.

⁸ Akiwowo Decl. ¶ 15.

⁹ *Id.* ¶ 16.

¹⁰ *Id.* ¶ 17.

¹¹ *Id.* ¶ 18.

¹² *Id.* ¶ 19.

¹³ *Id.* ¶ 20.

Misappropriation, or conversion, “an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it,” is a violation of that responsibility.¹⁴

On or about November 23, 2012, Respondent signed the name of a bank customer on a withdrawal slip, without the customer’s knowledge or consent. Respondent then presented the withdrawal slip to a bank teller and withdrew \$2,200 of the customer’s funds.¹⁵

By these actions, King wrongfully converted the customer’s funds and violated FINRA Rule 2010.

D. King Failed to Provide Information

FINRA Rule 8210 imposes upon persons associated with member firms the obligation to provide information upon being requested to do so by FINRA staff in the course of an investigation or examination.

To investigate the circumstances of King’s termination by JPMorgan,¹⁶ Enforcement sent King a letter pursuant to Rule 8210 to King on May 23, 2013, requesting her to provide testimony on June 3, 2013, at FINRA’s offices in New York City. Enforcement sent the request by certified and first-class mail to King’s CRD address and electronically to her e-mail address.¹⁷ King did not appear to provide testimony.¹⁸

Enforcement tried again to obtain King’s testimony by sending a letter on June 4, 2013, requesting that she appear and testify on June 17, 2013, at FINRA’s New York City offices. As it

¹⁴ *FINRA Sanction Guidelines* 36 n.2 (2011).

¹⁵ Compl. ¶¶ 8-9.

¹⁶ Akiwowo Decl. ¶ 14.

¹⁷ *Id.* ¶ 8.

¹⁸ *Id.* ¶ 10.

did before, Enforcement sent the request by first-class and certified mail to King's CRD address, and electronically to her e-mail address.¹⁹ King did not appear to provide testimony as directed.²⁰

King's failure to appear and testify violated FINRA Rules 8210 and 2010.

III. Sanctions

FINRA's Sanction Guidelines recommend a bar from the industry as a standard sanction for conversion of customer funds regardless of the amount taken.²¹ By its nature, conversion of customer assets "is extremely serious and patently antithetical to the 'high standards of commercial honor and just and equitable principles of trade' that underpin the self-regulation of the securities markets."²² It "poses so substantial a risk to investors ... as to render the violator unfit for employment in the securities industry."²³ Here, King abused the trust reposed in her as a personal banker by fraudulently forging a customer's signature on a withdrawal to obtain unauthorized access to the customer's funds. For such an offense, a bar is warranted.²⁴

Similarly, FINRA's Sanction Guidelines state that when an individual completely fails to respond to a Rule 8210, "a bar should be standard."²⁵ The first of the Principal Considerations in Determining Sanctions enumerated in the Guidelines for Rule 8210 violations is the importance to FINRA of the information requested.²⁶ Here, FINRA sought information essential to pursue an

¹⁹ *Id.* ¶ 11.

²⁰ *Id.* ¶ 13.

²¹ *Guidelines* at 36.

²² *John Edward Mullins*, Exchange Act Rel. No. 66373, 2012 SEC LEXIS 464, at *73 (Feb. 10, 2012) (quoting *Wheaton D. Blanchard*, 46 S.E.C. 365, 366 (1976)).

²³ *Mullins*, 2012 SEC LEXIS 464, at *74 (quoting *Charles C. Fawcett IV*, Exchange Act Rel. No. 56770, 2007 SEC LEXIS 2598, at *22 n.27 (Nov. 8, 2007)).

²⁴ Because the Firm's affiliated bank made the customer whole, it is unnecessary to order King to pay restitution. Supplemental Decl. ¶¶ 3-4.

²⁵ *Guidelines* at 33.

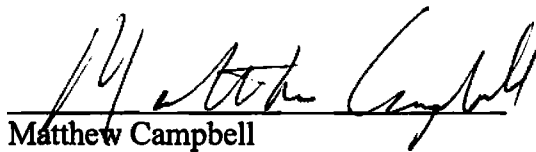
²⁶ *Id.* at 33.

investigation into the circumstances of King's termination by JPMorgan after the Firm concluded that she had converted a customer's funds.

Lacking subpoena power, FINRA must rely on Rule 8210 to fulfill its regulatory responsibility to police the activities of members and associated persons.²⁷ "The rule is at the heart of the self-regulatory system for the securities industry" and imposes an "unequivocal" responsibility to comply with information requests.²⁸ King's complete failure to respond, a violation of her obligation to cooperate with FINRA, was "fundamentally incompatible" with FINRA's self-regulatory function. In the absence of any mitigating factors, the appropriate sanction is a bar.²⁹

IV. Order

For each violation, converting customer funds in violation of FINRA Rule 2010, and failing to respond in any manner to requests that she provide testimony in the course of an investigation in violation of FINRA Rules 8210 and 2010, Respondent Amanda Rose King is barred from associating with any FINRA member firm in any capacity. The bars will be effective immediately if this Default Decision becomes FINRA's final disciplinary action in this proceeding.


Matthew Campbell
Hearing Officer

²⁷ *CMG Institutional Trading, LLC*, Exchange Act Rel. No. 59325, 2009 SEC LEXIS 215, at *15 (Jan. 30, 2009).

²⁸ *Howard Brett Berger*, Exchange Act Rel. No. 58950, 2008 SEC LEXIS 3141, at *13 (Nov. 14, 2008).

²⁹ *Joseph Ricupero*, Exchange Act Rel. No. 62891, 2010 SEC LEXIS 2988, at *21 (Sept. 10, 2010), *petition denied*, 436 F. App'x 31 (2d Cir. 2011) (citing *Paz Sec., Inc.*, Exchange Act Rel. No. 57656, 2008 SEC LEXIS 820, at *9 (Apr. 11, 2008) (quoting *Fawcett*, 2007 SEC LEXIS 2598, at *21-22)).

Copies to:

Amanda R. King *(via overnight courier and first-class mail)*

Akinyemi T. Akiwowo, Esq. *(via electronic and first-class mail)*

Michael S. Choi, Esq. *(via electronic mail)*

Richard R. Best, Esq. *(via electronic mail)*

Jeffrey D. Pariser, Esq. *(via electronic mail)*

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

**AMANDA ROSE KING,
(CRD No. 6123711)**

Respondent.

**Disciplinary Proceeding
No. 20130358986**

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. On or about November 23, 2012, while associated with JPMorgan Securities LLC (the "Firm") as a non-registered sales assistant and simultaneously employed as a personal banker with the Firm's affiliated bank (the "Bank"), Respondent converted \$2,200 from a Bank customer's account in violation of FINRA Rule 2010.
2. Additionally, on May 23, 2013 and June 4, 2013, Respondent failed to comply with requests to appear and provide testimony pursuant to FINRA Rule 8210, in violation of FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

3. Respondent entered the securities industry in May 2012, when she became associated with the Firm, a FINRA member, as a non-registered sales assistant. While associated with the Firm, Respondent was also employed as a personal banker at the Bank's West Monroe, Louisiana branch office. Respondent remained associated with the Firm and the Bank until

her termination from both on January 11, 2013. Respondent is not currently associated with a FINRA member firm.

4. Although Respondent is not currently registered or associated with a FINRA member, she remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because: (1) the Complaint was filed within two years after the effective date of termination of Respondent's registration with the Firm, namely, February 9, 2013, and (2) the Complaint charges her with misconduct committed while she was registered or associated with a FINRA member, and with failing to respond to FINRA requests for information during the two-year period after the date upon which she ceased to be registered or associated with a FINRA member.

**FIRST CAUSE OF ACTION
FINRA RULE 2010
(FORGERY AND MISAPPROPRIATION OF FUNDS)**

5. The Department realleges and incorporates by reference paragraphs 1 through 4 above.
6. FINRA Rule 2010 states that a member or associated person "in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade."
7. Customer LC was a Bank customer while Respondent was associated with the Firm and the Bank.
8. On or about November 23, 2012, Respondent signed Customer LC's name on a Bank withdrawal slip without LC's knowledge or consent
9. Respondent presented the withdrawal slip to a Bank teller, and withdrew \$2,200 from LC's Bank account without permission or authority from LC or the Bank.
10. By virtue of the foregoing, Respondent converted funds from LC's Bank account in violation of FINRA Rule 2010.

**SECOND CAUSE OF ACTION
FINRA RULES 8210 AND 2010
(FAILURE TO APPEAR AND PROVIDE TESTIMONY)**

11. The Department realleges and incorporates by reference paragraphs 1 through 10 above.
12. FINRA Rule 8210(a) requires that persons associated with a member firm, or persons subject to FINRA's jurisdiction to provide information orally, in writing, or electronically and testify at a location specified by FINRA.
13. On May 23, 2013, FINRA staff sent a letter to Respondent (the "May 23 Letter") requesting, pursuant to FINRA Rule 8210, that she appear and testify on June 3, 2013 at FINRA's office in New York City. The May 23 Letter was sent via certified mail and return receipt requested to Respondent's address listed on the Central Registration Depository ("CRD Address"). The letter was also sent to the CRD Address by first class mail. A copy of the letter was also emailed to Respondent's email address.
14. The May 23 Letter stated that a failure to appear as requested could expose Respondent to sanctions, including a bar from the securities industry. FINRA received the return receipt for the May 23 Letter on May 31, 2013, signed with a name other than Respondent's name. The copy of the May 23 Letter sent by first class mail was not returned.
15. Respondent failed to appear and provide testimony to FINRA on June 3, 2013.
16. On June 4, 2013, FINRA staff sent a letter to Respondent (the "June 4 Letter") requesting, pursuant to FINRA Rule 8210, that Respondent appear and testify on June 17, 2013 at FINRA's office in New York City. The June 4 Letter was sent via certified mail return receipt requested to the CRD Address. The letter was also sent to the CRD Address by first class mail. A copy of the letter was also emailed to Respondent's email address.
17. The June 4 Letter stated that a failure to appear as requested could expose Respondent to sanctions, including a bar from the securities industry. FINRA received the return receipt for

the June 4 Letter on May 31, 2013, signed with a name other than Respondent's name. The copy of the June 4 Letter sent by first class mail was not returned.

18. Respondent failed to appear and provide testimony to FINRA on June 17, 2013.

19. As of the date of this Complaint, Respondent has not appeared and provided testimony to FINRA staff in response to the requests for testimony described above.

20. By virtue of the foregoing, Respondent violated FINRA Rules 8210 and 2010.

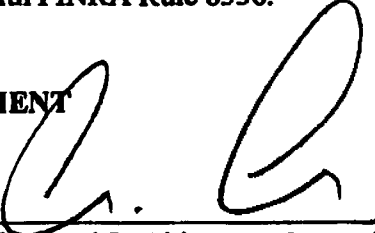
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. Make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. Order that one or more of the sanctions provided under FINRA Rule 8310(a) be imposed, including that the Respondent be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest; and
- C. Order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: 7/29/13



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