

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2013036960801**

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

RE: John P. Jones, Respondent  
General Securities Principal and  
General Securities Representative  
CRD No. 1463744

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, John P. Jones, 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**

Jones entered the securities industry in March 1986, as a General Securities Representative of a member of FINRA. Jones has been associated with the following firms: Jones, Byrd, & Attkisson, Inc. from August 2003 to December 2007; First Legacy Securities, LLC from December 2007 to February 2010; and Moloney Securities Co., Inc. from February 2010 to present. Jones is currently registered with FINRA under Article V of the By-Laws as a General Securities Principal and a General Securities Representative. Jones has no prior disciplinary history.

**OVERVIEW**

Between January 2004 and December 2006, Jones engaged in unsuitable trading in customer EM's account by recommending purchases of three speculative investments, which were not consistent with the customer's investment objectives or financial condition, resulting in an overconcentration in EM's account. The recommendations were made without reasonable grounds by Jones for believing that they were suitable for EM. Jones also willfully failed to timely amend his Uniform Application for Securities Industry Registration and Transfer ("Form U4") to disclose two tax liens.

## **FACTS AND VIOLATIVE CONDUCT**

1. NASD Conduct Rule 2310 required that, "in recommending to a customer the purchase, sale or exchange of any security, a member shall have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the facts, if any, disclosed by such customer as to his other security holdings and as to his financial situation and needs." Between January 2004 and December 2006, Jones recommended that customer EM, who had a moderate risk tolerance and an investment objective of preservation of capital, invest a majority of her liquid net worth in five speculative private placements of securities. Collectively, these investments represented more than 50% of EM's liquid net worth. The aforementioned recommendations and concentration levels were unsuitable in light of EM's investment objectives, financial situation, and needs.

As a result of the foregoing conduct, Jones violated NASD Conduct Rules 2310 and 2110.

2. Article V, Section 2(c) of FINRA's By-Laws (formerly NASD's By-Laws) provides that every application for registration filed with FINRA shall be kept current at all times by supplementary amendments which must be filed within thirty days after learning of the facts or circumstances giving rise to the amendment. Since at least 2006, Disclosure Question 14M of Form U4 has read: "Do you have any unsatisfied judgments or liens against you?"

NASD IM-1000-1 provided that: "The filing with the Association of information with respect to membership or registration as a Registered Representative which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or the failure to correct such filing after notice thereof, may be deemed to be conduct inconsistent with just and equitable principles of trade and when discovered may be sufficient cause for appropriate disciplinary action." NASD IM-1000-1 was superseded by FINRA Rule 1122 on August 17, 2009.

FINRA Rule 1122 provides that: "No 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."

As of April 2007, while associated with Jones, Byrd, & Attkisson, Inc., Jones knew that the Internal Revenue Service had filed a tax lien against him on or about April 5, 2007 in the amount of \$187,169. However, Jones did not amend his Form U4 to disclose the unsatisfied lien until July 17, 2009.

As of at least December 2011, while associated with Moloney Securities, Inc. and registered with FINRA, Jones knew that the State of Georgia had filed a

tax lien against him on or about October 24, 2008 in the amount of \$59,959.67. However, Jones did not amend his Form U4 to disclose the unsatisfied lien until May 6, 2014.

As a result of the foregoing conduct, Jones willfully failed to timely amend his Form U4 to disclose the unsatisfied liens in contravention of Article V, Section 2(c) of FINRA's and NASD's By-Laws, and in violation of NASD IM-1000-1 (for conduct before August 17, 2009) and NASD Rule 2110 (for conduct before December 15, 2008) and FINRA Rules 1122 (for conduct after August 16, 2009) and 2010 (for conduct after December 14, 2008).

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

- A \$15,000 fine and a six-month suspension with any FINRA member in all capacities.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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 this settlement includes a finding that I willfully omitted to state a material fact on a Form U4, 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 me subject to a statutory disqualification with respect to association with a member.

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 prejudice 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.

7/12/2015  
Date (mm/dd/yyyy)

  
John P. Jones, Respondent

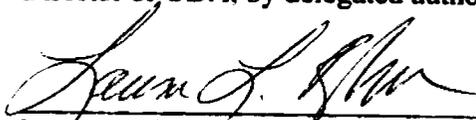
Reviewed by:

\_\_\_\_\_  
Counsel for Respondent

Accepted by FINRA:

July 21, 2015  
Date

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

  
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