

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014040147501**

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

RE: Patrick Landon Garrett, Respondent
Former Registered Representative
CRD No. 2045288

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

Patrick Landon Garrett ("Garrett") first entered the securities industry in March 1990. On June 5, 2000, Garrett became registered as a General Securities Representative (Series 7) with Robert W. Baird & Co. Inc. (the "Firm"). On February 12, 2014, the Firm filed a Form U5 terminating his registration. Garrett is not currently registered or associated with any FINRA member. He has no disciplinary history.

FINRA retains jurisdiction over Garrett pursuant to Article V, Section 4(a) of FINRA's By-Laws because the conduct that serves as the basis for this action commenced prior to Garrett's termination of registration from a FINRA member, and the AWC has been filed within two years after the effective date of his last termination of registration from a FINRA member.

OVERVIEW

On multiple occasions from March 2013 through December 2013, Garrett verbally misrepresented to his customer, Customer A, the value of her brokerage account. Garrett also misused customer funds and falsified firm documents in an effort to recover some of the investment losses in Customer A's account. Garrett

misused customer funds by moving a stock in Customer A's account that had declined in value to the joint brokerage account of other customers of his, Customers B & C (husband and wife). Garrett recommended the transaction to Customer B and misrepresented to him that he would receive it at market price. In fact, unbeknownst to Customers B & C, Garrett transferred Customer A's equity position to Customers B & C at Customer A's purchase price, which was \$3 per share above the then-current market price. This prevented a loss in Customer A's account but caused an immediate loss to Customers B & C of over \$34,000.

Garrett also misled his Firm with respect to the reason for the series of transactions in his customers' accounts. Garrett processed the transactions as a series of trade corrections and cancellations, falsely representing to the Firm that the transactions were a result of an initial trade error in Customer A's account.

By making misrepresentations to his customers, misusing customer funds, and falsifying firm documents, Garrett violated FINRA Rules 2010 and 2150.

FACTS AND VIOLATIVE CONDUCT

1. Misrepresentations to Customer Regarding Account Value

On multiple occasions from March 2013 through December 2013, Garrett intentionally and knowingly misrepresented to his brokerage customer, Customer A, the value of her account. In response to inquiries from Customer A about the performance of her investments during this time, Garrett did not tell Customer A that her investments had decreased in value. Instead, on several occasions when asked by Customer A of the value of her account, Garrett misrepresented to her that her account value was approximately \$200,000 more than the value showing on her printed and online account statements. Garrett told Customer A that her printed and online statements were inaccurate because of settlement date issues. This also was false.

As a result of the foregoing conduct, Garrett violated FINRA Rule 2010.

2. Misuse of Funds and Misrepresentation Regarding Securities Transaction

In July 2013, Garrett recommended to several customers, including to Customer A and Customers B & C, that they invest in the initial public offering of a new company ("IPO Company"). As a result of his recommendation, on July 29, 2013, Customer A purchased 12,000 shares of IPO Company at \$20 per share – the IPO price.

In the following months, IPO Company's share price began to decline, resulting in unrealized investment losses in Customer A's account. To recover some of Customer A's unrealized investment losses, Garrett told Customer A that he would make her whole by reversing the IPO Company transaction in her account, which he claimed would result in a refund of her initial investment amount.

In fact, on December 26, 2013, Garrett attempted to make Customer A whole by misusing funds from the joint account of Customers B & C to purchase most of Customer A's IPO Company shares from Customer A at Customer A's initial purchase price. Garrett recommended that Customers B & C purchase the shares of IPO Company by representing to Customer B that he could get shares at the current market value which Garrett claimed was a "good price." Customer B authorized the purchase of 11,500 shares of IPO Company on this basis. Unbeknownst to Customers B & C, Garrett purchased 11,500 shares of IPO Company in Customers B & C's joint account at \$20 per share rather than the current market price of approximately \$17 per share. As a result, Customers B & C suffered an immediate investment loss of over \$34,000.

As a result of the foregoing conduct, Garrett violated FINRA Rules 2010 and 2150.

3. Falsification of Firm Documents

On or about December 26, 2013, Garrett processed the IPO Company transactions in the accounts of Customer A and Customers B & C as trade errors. In order to do so, he submitted to the Firm trade correction and cancellation forms that falsely claimed that Customer A's July 2013 purchase of IPO Company shares was the result of a trade error. The Firm approved and processed the December 2013 transactions in the accounts of Customer A and Customers B & C based on this false documentation. As a result, Customer A's July 2013 purchase of IPO Company shares was cancelled without any loss to her account or any loss to Garrett, notwithstanding the substantial decrease in share price as of December 26, 2013.

On January 3, 2014, Garrett disclosed the above described events and conduct to Customer A and the Firm. The Firm, thereafter, reimbursed the customers for their losses.

As a result of the foregoing conduct, Garrett violated FINRA Rule 2010.

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

A bar from associating with any FINRA member in any capacity.

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 II, 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. A bar shall become effective upon approval or acceptance of this AWC.

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:

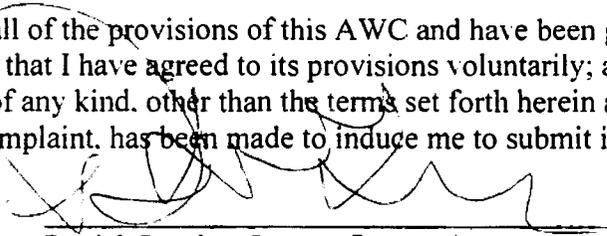
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

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.

12/30/2015
Date (mm/dd/yyyy)


Patrick Landon Garrett, Respondent

Reviewed by:

Christopher Thorsen
Counsel to Respondent
Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, TN 37203

Accepted by FINRA:

Date

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

James E. Day
Vice President and Chief Counsel
FINRA Department of Enforcement
15200 Omega Drive, 3rd Floor
Rockville, MD 20850-3241

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Date (mm/dd/yyyy)

Patrick Landon Garrett, Respondent

Reviewed by:



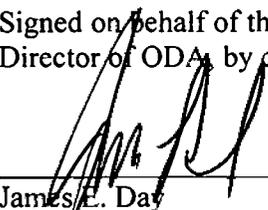
Christopher Thorsen
Counsel to Respondent
Bradley Arant Boult Cummings LLP
1600 Division Street, Suite 700
Nashville, TN 37203

Accepted by FINRA:

8/4/15

Date

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



James E. Day
Vice President and Chief Counsel
FINRA Department of Enforcement
15200 Omega Drive, 3rd Floor
Rockville, MD 20850-3241