

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2018059146801**

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

RE: Michael David Garris, Respondent  
Former General Securities Representative  
CRD No. 1540384

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, I, Michael David Garris (“Respondent”) 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**

Respondent first became registered with FINRA as a General Securities Representative (“GSR”) in 1987 and was subsequently registered through an association with several other FINRA member firms. In May 2011, Respondent became registered as a GSR through an association with Wells Fargo Clearing Services, LLC (CRD No. 19616) (the “Firm”). On July 11, 2018, the Firm filed a Form U5 stating that it had terminated Respondent, effective June 14, 2018, “after a review concluded he placed trades in a customer’s accounts without sufficient authorization.” Respondent is not currently associated with a FINRA member firm, but remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4 of FINRA’s By-Laws.

**RELEVANT DISCIPLINARY HISTORY**

Respondent has no relevant disciplinary history.

## OVERVIEW

In October and November, 2017, Respondent effected 26 unauthorized transactions in a deceased customer's account in violation of FINRA Rule 2010.

## FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2010 provides that “[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade.” Executing unauthorized transactions by trading without a customer's permission or consent violates FINRA Rule 2010.

In June 2014, Respondent began providing brokerage services to a customer who maintained two accounts with the Firm (the “Accounts”). In February 2017, the customer passed away. In March 2017, Respondent's assistant notified Respondent that she had received a telephone call from an individual informing her that the customer had passed away. Subsequently, during March 2017, Respondent exchanged emails and had a telephone call with the customer's nephew, in which the customer's nephew confirmed that the customer had passed away. The Firm's written procedures for associates stated that registered representatives must notify the Firm upon receiving notice of a customer's death. However, Respondent did not report the customer's death to the Firm.

Six months later, in October and November, 2017, Respondent executed 26 unauthorized transactions, involving an aggregate amount of \$381,452.98, in the Accounts. Those unauthorized transactions generated \$9,313.07 in commissions. The Firm subsequently reversed the 26 unauthorized transactions, returning the Accounts to their positions prior to the customer's death and refunding all associated commissions.

By virtue of the foregoing, Respondent violated FINRA Rule 2010.

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

- A one-year suspension from association with any FINRA member in any capacity; and
- A \$5,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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.

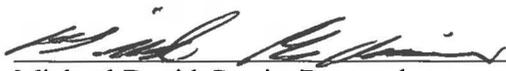
#### OTHER MATTERS

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 understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; 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.

6/27/2019  
Date

  
Michael David Garris, Respondent

Accepted by FINRA:

7/22/19  
Date

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



Brian A. Harris  
Counsel  
FINRA Department of Enforcement  
15200 Omega Drive, Suite 300  
Rockville, MD 20850  
Phone: 301-258-8449