

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015045932601**

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

RE: Cornean Thomas, Respondent
General Securities Representative
CRD No. 6045676

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Cornean Thomas 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 Thomas 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

Thomas first became associated with a FINRA member firm in May 2012. He became registered as a general securities representative (Series 7) in May 2012. He became registered in that capacity with Edward D. Jones & Co., L.P. (Edward Jones) in September 2012. On June 19, 2015, Edward Jones filed a Uniform Termination Notice for Securities Industry Registration (Form U5) on behalf of Thomas, stating that he was discharged on May 21, 2015 for violating firm policy and providing inaccurate information to the firm. Thomas is not currently associated with a FINRA member firm.

OVERVIEW

During the period from February to May 2015, Thomas exercised discretion without written authorization by making four trades in the accounts of two customers, in violation of NASD Rule 2510(b) and FINRA Rule 2010; placed a total of 11 unauthorized trades in the accounts of six customers, in violation of FINRA Rule 2010; failed to disclose two customer complaints to his FINRA member firm in violation of FINRA Rule 2010; and made a misrepresentation to his FINRA member firm, in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Unauthorized Trading

FINRA Rule 2010 requires an associated person to observe high standards of commercial honor and just and equitable principles of trade in the conduct of his business. Unauthorized trading

violates Rule 2010. Between February and April 2015, Thomas effected 11 unauthorized trades, both sales and purchases of securities, in accounts belonging to six firm customers without the customers' knowledge or consent. Thomas violated Rule 2010 by executing 11 trades in the accounts of customers without their prior knowledge or consent.

Unauthorized Discretionary Trading

NASD Rule 2510(b) provides that no registered representative shall exercise discretionary authority in a customer's account unless such customer has given prior written authorization and the account has been accepted as discretionary by the member firm. Subsequent ratification by the customer of a trade that was executed based on the improper exercise of discretion does not excuse a violation. A violation of NASD Rule 2510(b) also constitutes a violation of FINRA Rule 2010.

Edward Jones prohibits its registered representatives from exercising discretion in customer accounts. In April and May 2015, Thomas made one discretionary trade in the account of customer PT and three discretionary trades in the account of customer HG. Although the trades were verbally authorized by the customers, Thomas did not speak with either customer on the dates of the trades before entering the orders.

Thomas violated NASD Rule 2510(b) and FINRA Rule 2010 by exercising discretion in four trades in the accounts of two customers without obtaining prior written authorization from the customers or written acceptance of the accounts as discretionary by the firm.

Failure to Disclose Customer Complaints

FINRA Rule 4530 requires member firms to report statistical and summary information regarding customer complaints to FINRA. A customer complaint is defined by the Rule as "any written grievance by a customer involving the member or person associated with a member." FINRA requires specified information regarding each customer complaint to be filed by the 15th day of the month following the calendar quarter in which the complaint is received. Additionally, FINRA Rule 4513 requires that member firms maintain a separate file of all written complaints of customers and action taken by the member, if any, or a separate record of such complaints and a clear reference to the files containing the correspondence connected with such complaint. Failing to disclose a customer complaint to a FINRA-regulated broker-dealer violates FINRA Rule 2010.

Thomas failed to disclose two customer complaints to Edward Jones. He received a written complaint from customer JS on February 15, 2015, alleging poor customer service. Thomas also received a written complaint from customer CM on April 21, 2015, alleging unauthorized trading. By failing to disclose these complaints to Edward Jones, Thomas prevented Edward Jones from complying with its obligations under FINRA Rules 4530 and 4513. Thomas's conduct violated FINRA Rule 2010.

Misrepresentation to the Firm

Making a false statement to a FINRA-regulated broker-dealer violates FINRA Rule 2010. When Thomas received the above-referenced customer complaint from customer CM, alleging that a trade in her account had been made without her knowledge or consent, Thomas submitted a trade correction request to Edward Jones. Thomas was required to provide a reason for the correction; he stated in writing that the customer had changed her mind and needed the money for a family emergency, which was not true. Thomas's conduct violated FINRA Rule 2010.

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

A two-year suspension from association with any FINRA member in any capacity and a \$15,000 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 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 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 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 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.

11/09/2016
Date (mm/dd/yyyy)

Cornean A. Thomas
Cornean Thomas, Respondent

Accepted by FINRA:

Jan 5, 2017
Date

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

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