

FINRA's statement regarding its September 15 complaint against its former broker Johnny Burris

The complaint speaks for itself. These are significant violations and we can't have two sets of rules. While we cannot comment on this case as it is in litigation, as a practical matter, FINRA does not file a formal complaint unless it has strong reason to believe there are violations at its core. FINRA has proceeded with this case as we would any other similar matter.

Overview from the Sept. 16 complaint:

- Early-April, 2012: Burris's customers asked him to liquidate a securities holding to fund a tax payment to the IRS. Burris failed to execute the trade.
 - April 17, 2012: JPM alerted the customers by mail that their tax payment check had been rejected for insufficient funds. They got a similar letter from the IRS on April 19, 2012.
 - April 23, 2012: the customers went to Burris's branch to ask him what happened. He told them he would "take care of" the insufficient funds issue with the IRS.
 - April 27, 2012: Burris sent a letter to the customers on what appeared to be firm letterhead confirming that he would have any tax penalties and interest "remedied."
 - May 4, 2012: Burris sent a letter to the IRS on what appeared to be firm letterhead and purportedly on behalf of the firm claiming that the insufficient funds issue was a result of "an error on the part of the bank" and requested that the IRS forgive the fees and interest as "a professional courtesy."
 - Burris did not, at any time, inform anyone at the firm of his failure to execute the customers' trade, the customers' resulting complaint, or his independent efforts to resolve their complaint.
 - The firm learned of the customers' complaint when the customers came to Burris's branch office on September 14, 2012 to inquire about the status of Burris's efforts to resolve the tax penalties and interest charges. Because Burris was on vacation, the customers spoke with an assistant in the office who escalated their complaint to Burris's manager. JPMS compensated the customers for approximately \$623 for penalties and fees imposed by the IRS.