

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

JOHN LAWRENCE DAVIS
(CRD No. 3028243),

Respondent.

Expedited Proceeding
No. ARB240008

Star No. 20240817517

Hearing Officer–MC

EXPEDITED DECISION

August 6, 2024

Respondent failed to pay an industry-related arbitration award. At a hearing, he did not establish that he had a bona fide inability to pay or make a meaningful payment toward the award. Consequently, he is suspended from associating with any FINRA member in any capacity.

Appearances

For the Complainant: Loyd Gattis, Esq., and Jennifer Crawford, Esq., Department of Enforcement, Financial Industry Regulatory Authority

For the Respondent: Pro se

DECISION

I. Introduction

Respondent John Lawrence Davis did not pay a FINRA arbitration award entered against him in favor of his former employer, SunTrust Investment Services, Inc. Accordingly, FINRA sent Davis a notice of suspension pursuant to FINRA Rule 9554 informing him that he would be suspended from associating with any FINRA member firm. Davis requested a hearing and asserted the defense that he was financially unable to pay the award. The request stayed the effective date of the suspension. On May 24, 2024, I held a hearing by videoconference. Davis represented himself.

The evidence and testimony presented at the hearing did not support Davis's defense. He did not establish that, after the award was entered, he was unable to either pay or make a meaningful payment towards satisfying it. Rather, at the hearing it became evident that even by

Davis’s own estimates of his assets—some that he understated—and his liabilities—some that he overestimated—he is and has been capable of satisfying the award or making a meaningful payment toward satisfying it.

Davis is therefore suspended from associating with any FINRA member firm in any capacity.

II. Background

A. Regulatory Framework

FINRA’s Code of Arbitration Procedure for Industry Disputes requires that an associated person must satisfy an award issued by an arbitration panel within 30 days after the person receives notice of it.¹ When an associated person does not, FINRA Rule 9554 authorizes an expedited process by which FINRA may serve a notice on the person stating that failing to comply with the terms of the award within 21 days will result in suspension from associating with any member firm.² If the associated person requests a hearing, the effective date of the suspension is stayed.³

A hearing request must specifically identify any defenses the person is relying on.⁴ In these expedited proceedings, a respondent may assert only certain limited defenses.⁵ When, as here, the award is not payable to a public customer, a respondent may also assert a bona fide inability to pay the award as a defense.⁶

B. The Defense of Inability to Pay

By asserting this defense, a respondent assumes the burden of proof, requiring full disclosure of his financial circumstances, and FINRA is “entitled to make a searching inquiry”

¹ FINRA Rule 13904(j).

² FINRA Rule 9554(a). A suspension may not be imposed if the associated person files a timely motion to vacate or modify the award in a court with jurisdiction over the matter unless the motion has been denied. FINRA By-Laws, Article VI, Section 3(b).

³ FINRA Rule 9554(d).

⁴ FINRA Rule 9554(e).

⁵ FINRA By-Laws, Art. VI, Sec. 3(b); NASD Notice to Members 00-55, at 2 (Aug. 2000), <http://www.finra.org/industry/notices/00-55>; *Dep’t of Enforcement v. Respondent*, OHO Redacted Decision ARB060031, at 4–5 (Apr. 16, 2007), http://www.finra.org/sites/default/files/OHODecision/p038228_0_0.pdf.

⁶ *See* SR-FINRA-2010-014, Order Approving Proposed Rule Change Relating to FINRA Rule 9554 to Eliminate Explicitly the Inability-to-Pay Defense in the Expedited Proceedings Context, Exchange Act Release No. 34-62211, 2010 SEC LEXIS 1800 (June 2, 2010) (approving change to FINRA Rule 9554 making the defense of inability to pay an arbitration award unavailable to a respondent when the award is issued in favor of public customers); *see also* *William J. Gallagher*, Exchange Act Release No. 47501, 2003 SEC LEXIS 599, at *10–12 (Mar. 14, 2003).

into the validity of his claimed inability to pay.⁷ To satisfy this burden of proof, a respondent must show that from the time the award was entered, the respondent was “unable to make some meaningful payment toward the award from available assets or income” by reducing expenses, borrowing funds, or selling assets—even if unable to pay the full amount.⁸ The defense fails if the respondent provides insufficient or incomplete evidence of his financial condition.⁹

III. Findings of Fact and Conclusions of Law

A. Jurisdiction

Davis first registered with FINRA through his association with a FINRA member firm in 1998.¹⁰ He was registered with FINRA through SunTrust from March 2013 to September 2019.¹¹ He then became associated with another FINRA member firm where he is currently employed.¹² He is therefore subject to FINRA jurisdiction.

B. The Award and Notice of Suspension

On May 19, 2023, an independent arbitrator entered an award against Davis after holding a hearing in *SunTrust Investment Services, Inc. (n/k/a Trust Investment Services, Inc.) v. John L. Davis*.¹³ As of May 20, 2024, the total amount of the award was \$341,397.60, which includes compensatory damages of \$219,120, interest in the amount of \$72,040.54 accrued from September 20, 2019, through May 20, 2024, and attorneys’ fees of \$50,237.06.¹⁴

On the day the award was entered, FINRA served on Davis’s attorney both an Award Service Letter and a memorandum explaining the consequences of nonpayment of the award within 30 days.¹⁵ Before the expiration of the 30-day deadline, on June 13, 2023, Davis filed a

⁷ *Robert Tretiak*, Exchange Act Release No. 47534, 2003 SEC LEXIS 653, at *12 & n.16 (Mar. 19, 2003) (citations omitted).

⁸ *Michael Albert DiPietro*, Exchange Act Release No. 77398, 2016 SEC LEXIS 1036, at *16 n.22 (Mar. 17, 2016) (quoting *Dep’t of Enforcement v. Respondent*, No. ARB010032, at 3 (Mar. 15, 2002) (redacted), http://www.finra.org/sites/default/files/OHODDecision/p006652_0_0.pdf).

⁹ *Gallagher*, 2003 SEC LEXIS 599, at *9–11.

¹⁰ Joint Exhibit (“JX-__”) 1, at 3.

¹¹ JX-1, at 3.

¹² Stipulations (“Stip.”) ¶ 1; JX-1, at 3.

¹³ FINRA Dispute Resolution Services Arbitration Case No. 20-03771; Stip. ¶ 3.

¹⁴ Stip. ¶ 4; JX-2.

¹⁵ JX-3; JX-4; Stip. ¶ 6.

motion to vacate the award in a North Carolina state court.¹⁶ On March 8, 2024, the court issued an order dismissing the petition and confirming the award.¹⁷

Davis did not satisfy the award,¹⁸ reach a settlement agreement with SunTrust, or file for bankruptcy.¹⁹ Therefore, FINRA sent Davis a notice of suspension pursuant to FINRA Rule 9554, properly served on March 27, 2024.²⁰ The notice apprised Davis that his suspension from associating in any capacity with any FINRA member firm would become effective on April 17, 2024, unless by that date he asserted a valid defense.²¹ The notice of suspension also explained Davis's right to request a hearing—thereby staying the effective date of the suspension—and to claim as a defense that he had a bona fide inability to pay the award.²²

On April 1, 2024, Davis filed a request for a hearing and asserted an inability to pay as his sole defense.²³

C. Davis's Statement of Financial Condition

1. Assets, Liabilities, and Net Worth

a. Assets

Davis submitted a Statement of Financial Condition (“SFC”) describing his assets and liabilities. In it, Davis represented his net worth to be \$209,437.²⁴ He arrived at this figure by estimating his assets at \$1,028,459 and his liabilities at \$819,022.²⁵

At the hearing, Davis conceded that his actual net worth was substantially higher than he represented in the SFC.²⁶ This is partly because he included as a liability the compensatory

¹⁶ Stip. ¶ 10.

¹⁷ Stip. ¶ 11.

¹⁸ Stip. ¶ 13.

¹⁹ Stip. ¶¶ 19, 20.

²⁰ Stip. ¶¶ 14–16; JX-6.

²¹ The defenses available to Davis were that he (1) complied with the award in full; (2) reached a settlement with SunTrust and was in compliance with the terms of the settlement; (3) filed an action to vacate the award and the motion to vacate had not been denied; or (4) filed a petition in bankruptcy with the bankruptcy proceeding pending. JX-6, at 1.

²² JX-6, at 1–2.

²³ Stip. ¶ 18.

²⁴ JX-8, at 2.

²⁵ JX-8, at 1–2.

²⁶ Hearing Transcript (“Tr.”) 156 (Davis).

damages and attorneys' fees assessed in the award, totaling \$269,357.²⁷ But, as Davis acknowledged at the hearing, it was inappropriate for him to include this amount as a liability.²⁸ For him to do so was misleading, as it produced an inaccurate valuation of net worth in determining his ability to pay or make a meaningful contribution toward satisfying the award.²⁹ Removing this amount from the calculation of his liabilities reduced the total to \$549,665, and increased his net worth to \$478,794.

i. The 401(k)

Davis made other representations in the SFC that understated his net worth. One example relates to his 401(k) account. He listed it as a \$45,000 asset.³⁰ He understated it by slightly more than \$20,000, because it had an actual vested balance of \$65,328.³¹ Because Davis had taken two loans from the account totaling almost \$20,000, he had listed the account's net balance by subtracting their total from the balance of the account.³² But he also listed those loans as a liability he categorized as "401k Loans."³³ By doing so, Davis "double counted" the loans as a liability. He acknowledged during the hearing "that was a mistake."³⁴ Correcting it, he agreed, increased his estimated net worth by almost \$20,000.³⁵

ii. The Individual Retirement Account

Similarly, Davis understated the value of his Individual Retirement Account ("IRA"). In the SFC, Davis represented the IRA as an asset worth \$509,000.³⁶ Prior to the hearing, however, he stipulated that it was worth considerably more—\$563,660—as of March 28, 2024.³⁷ In April 2024, just before the hearing, he took a premature \$15,000 distribution from the IRA to help pay

²⁷ Tr. 156–57 (Davis); JX-8, at 2 (item 8).

²⁸ Tr. 157 (Davis).

²⁹ *Dep't of Enforcement v. Timothy Pierce Henry*. No. ARB220023, 2023 FINRA Discip. LEXIS 6, at *8–9 (OHO Apr. 13, 2023).

³⁰ JX-8, at 1 (item 13).

³¹ Supplemental Stipulations ("Supp. Stip.") ¶ 7.

³² Tr. 137–39 (Davis); Supp. Stip. ¶ 7.

³³ Tr. 138–39 (Davis); JX-8, at 2 (item 10).

³⁴ Tr. 156–57 (Davis).

³⁵ Tr. 138–39 (Davis).

³⁶ Tr. 158; JX-8, at 1 (item 11).

³⁷ Supp. Stip. ¶ 6.

for his daughter's wedding.³⁸ Deducting the distribution, the account's value still exceeded \$548,000—almost \$40,000 more than the amount he represented in his SFC.³⁹

At the hearing, Davis estimated that to liquidate his IRA would cost approximately \$200,000 in taxes and early withdrawal penalties.⁴⁰ Had he liquidated the account in March 2024, after incurring those costs, he could have realized approximately \$363,000—more than sufficient, he agreed, to pay the award in its entirety.⁴¹

iii. Real Estate

Davis and his wife own two properties: their residence in Lenoir, North Carolina and an undeveloped lot in Sunset Beach, North Carolina.⁴² In the SFC asset list, he represented their combined value as \$425,000.⁴³ Subsequently, in an email he sent to Enforcement, he revised that estimate upward by \$15,000 to \$440,000: \$250,000 for the home and \$190,000 for the beach lot.⁴⁴

Spencer Price, an Enforcement investigator, reviewed websites he found reliable for their valuations of real estate.⁴⁵ When he searched for the Davis residence, he found it valued between \$367,800⁴⁶ and \$408,000.⁴⁷ Taking the lowest of the valuations and subtracting the total encumbrances against the home—a bank mortgage of \$116,868 and home equity line of credit against which Davis had borrowed \$25,605⁴⁸—leaves \$225,327 in equity in the home.

Price found only one website providing an estimated value of Davis's beach property. The website valued it at \$281,859.⁴⁹ The parties stipulated that a tax appraisal in February 2023 calculated the value to be lower, at \$226,100, and that there was a lien on the property with a

³⁸ Tr. 136 (Davis).

³⁹ Tr. 157 (Davis).

⁴⁰ Tr. 136 (Davis).

⁴¹ Tr. 136–37 (Davis).

⁴² Tr. 118 (Davis); Supp. Stip. ¶¶ 3–4.

⁴³ JX-8, at 1 (item 5).

⁴⁴ Tr. 118–19 (Davis); JX-12, at 1.

⁴⁵ Tr. 193–94 (Price).

⁴⁶ Tr. 196 (Price); JX-33, at 1.

⁴⁷ Tr. 197 (Price); JX-33, at 31.

⁴⁸ Supp. Stip. ¶ 3.

⁴⁹ Tr. 200–01 (Price).

balance of \$132,630 as of April 2024.⁵⁰ The lower valuation—the tax appraisal—minus the lien yields an estimated \$93,470 in equity in the beach lot.⁵¹

b. Liabilities

As discussed above, in his SFC, Davis over-represented his liabilities at \$819,023 by including \$269,357 from the award as “Judgments/Settlements Owed” that should not have been included, as well as “Accrued Real Estate Taxes” that he did not owe, and “401k Loans” that he double counted.⁵² Setting these aside, Davis listed vehicle loans for which he owed \$16,245; installment loans totaling \$148,907; other loans on which he owed \$122,002; and credit card debt totaling \$57,798.⁵³ He stipulated that the mortgages on his home totaled \$142,473, including a home equity line of credit from which he borrowed \$25,605.⁵⁴ Combined, these liabilities totaled \$487,425.

Davis also represented on his SFC a combination of liabilities totaling \$38,902 that he categorized as “FINRA Bill/Wedding Providers/Payroll to Signature Wealth by 4-16-2024.”⁵⁵ Subsequently, on April 29, 2024, in response to an Enforcement request for clarification, Davis sent an email revising the total downward to \$11,700.⁵⁶

When asked about this category and his revised reduction of the liabilities it included, Davis expressed confusion, asking “what is that a description of?” and “what does that number represent?”⁵⁷ Then he testified that in the month between April 29, 2024—the date of the email—and May 24—the date of the hearing—the liability had grown “higher than \$38,902” because he had to pay “estimated taxes” and “payroll for three months.”⁵⁸ However, he provided no documentation. When asked about what he meant by payroll, Davis gave confusing testimony, saying “it’s not money created from anything other than my 1099 . . . it’s not on top of my 1099 pay . . . just because I pay 180,000 for payroll, I don’t make 180,000.”⁵⁹

⁵⁰ Supp. Stip. ¶ 4.

⁵¹ Davis testified that he owes a total of \$1,154 in accrued real estate taxes on his Sunset Beach lot. However, when questioned, he testified that his property taxes become due in September. Therefore, he acknowledged, the taxes are not a current liability. Tr. 148–49 (Davis).

⁵² JX-8, at 2.

⁵³ JX-8, at 2.

⁵⁴ Supp. Stip. ¶ 3.

⁵⁵ JX-8, at 2 (item 9).

⁵⁶ Tr. 151 (Davis); JX-14, at 1.

⁵⁷ Tr. 151–52 (Davis).

⁵⁸ Tr. 153–54 (Davis).

⁵⁹ Tr. 154–5 (Davis).

In the end, he acknowledged that what he called “payroll” was compensation from his current firm that he transferred from one of his bank accounts to another; it was his money—not a payment or liability to a third party.⁶⁰ A stipulation explains that Davis transferred a portion of his current income to a separate entity, Signature Wealth Group LLC, through which he obtained health and life insurance. Ultimately, the money was for his benefit.⁶¹ Taking this into consideration, I find no basis for including as a liability the \$38,902 representation of the liability category that Davis created and named “FINRA Bill/Wedding Providers/Payroll to Signature Wealth by 4-16-2024.”⁶²

c. Davis’s Adjusted Net Worth

By adjusting for Davis’s understatement of these factors—deducting the damages and attorneys’ fees assessed by the award from his liabilities; adding to his under-representation of the values of his IRA, 401(k), and his home and beach property—Davis agreed that a more accurate estimate of his net worth would be approximately \$570,000—not \$209,000 as he represented in the SFC.⁶³

2. Income and Cash Flow

At the hearing, Davis argued that he has had “a negative income the last two years.”⁶⁴ In the SFC, Davis estimated that he earned \$220,000 in 2022 and \$245,000 in 2023.⁶⁵ Although the SFC instructed him to include his spouse’s earnings,⁶⁶ he did not include her annual income of approximately \$9,000.⁶⁷

Tax documents show that Davis substantially understated his income. The Form 1099 tax statements of Davis’s compensation show that he earned \$497,335 in 2022,⁶⁸ and \$582,733 in 2023.⁶⁹

Davis argued that although his Form 1099s give a “big number” for his income, “what ends up going in my pocket . . . is nowhere near that.”⁷⁰ Even though the 1099s show “plenty of

⁶⁰ Tr. 155 (Davis).

⁶¹ Tr. 155 (Davis); Supp. Stip. ¶ 10.

⁶² Tr. 153 (Davis).

⁶³ Tr. 157–58 (Davis); JX-8, at 2.

⁶⁴ Tr. 231 (Davis argument).

⁶⁵ JX-8, at 4.

⁶⁶ JX-8, at 4 n.1.

⁶⁷ Davis said he “just forgot” to include it. Tr. 168–69 (Davis).

⁶⁸ JX-52, at 2.

⁶⁹ JX-52, at 4.

⁷⁰ Tr. 231 (Davis argument).

assets” to pay the award, he insisted nonetheless that his expenses and what he referred to as “phantom income” both “drastically” reduced the actual amount of income he received.⁷¹ Attempting to explain this, Davis testified that the member firm with which he currently is associated gave him an advance payment of \$377,000 when he joined the firm in 2019, which was placed in a brokerage account at the firm.⁷² Davis contended that this inflated the 2023 income reflected in his 1099,⁷³ because it included \$103,000 of “phantom income,” that he “did not receive.”⁷⁴ When questioned about this, Davis stated that what he meant by saying he did not receive this money was that he did not receive it in 2023.⁷⁵ Accepting Davis’s figures at face value, his estimates put his earnings for 2022 at slightly more than \$394,000, instead of \$497,000, and his earnings in 2023 at about \$479,000, instead of \$582,732.⁷⁶

a. Monthly Cash Flow

In the SFC, Davis estimated his monthly income between April 2023 and April 2024 was \$29,178.⁷⁷ Again, Davis understated the amount. His current firm deposited his pay into Davis’s credit union account.⁷⁸ Davis stipulated that during that year the firm deposited \$435,914 into the account, which averages out to \$36,326 monthly—approximately \$7,000 more than his SFC estimate.⁷⁹

Davis represented his monthly expenses from April 2023 to April 2024 came to \$32,028.⁸⁰ The largest expenses he listed included mortgages on his two properties totaling \$4,967; loan payments of \$3,453; \$2,400 for food; \$3,234 for insurance premiums; \$11,842 for income taxes; \$1,566 for medical expenses; \$1,026 for gas, and \$1,327 for office expenses.⁸¹ Accepting Davis’s representations, his average monthly income from his current firm exceeded his monthly expenses by more than \$4,000.

b. Available Cash

When the award was entered, Davis had access to cash totaling \$33,356: \$19,936 in his credit union checking account and balances in three credit card accounts of \$6,000, \$5,320, and

⁷¹ Tr. 17 (Davis).

⁷² Tr. 24–25 (Davis).

⁷³ Tr. 26–27 (Davis).

⁷⁴ Tr. 27 (Davis).

⁷⁵ Tr. 162 (Davis).

⁷⁶ Tr. 162–63 (Davis).

⁷⁷ JX-8, at 5.

⁷⁸ Supp. Stip. ¶ 9.

⁷⁹ Supp. Stip. ¶ 9.

⁸⁰ JX-8, at 6.

⁸¹ JX-8, at 6.

\$2,100.⁸² More recently, based on balances in March and April 2024, he still had cash available, albeit a lesser sum: \$23,801.⁸³ This amount consisted in part of three credit union checking accounts owned by Davis and his wife jointly or individually, which held a total of \$21,173 as of April 18, 2024.⁸⁴

Davis also had access to cash through his and his wife's brokerage accounts. As of March 28, 2024, his brokerage account held cash and cash equivalents of \$2,513.⁸⁵ He stipulated that at the end of May 2023, when the award was entered, his wife's account was valued at \$104,501; a year later, it was substantially less at \$8,316.⁸⁶

IV. Discussion

Summarizing his defense of a bona fide inability to pay, Davis argued that (1) he had a negative income for the past two years; (2) he has realized capital gains for which he does not have the income to pay taxes; (3) he underpaid his estimated federal taxes by \$10,000 a quarter and is now “between 110,000 and \$130,000 short;” and (4) he is unable to obtain the additional credit he needs to pay the award.⁸⁷

Weighing Davis's arguments against the evidence, it is clear that the evidence does not support them. By his own admission, Davis has been able either to pay the award in full or make a meaningful contribution toward satisfying it from his available assets and income.⁸⁸

First, the evidence establishes that Davis received substantial compensation in 2022 and 2023. Tax records reflect he was paid almost \$500,000 in 2022 and \$600,000 in 2023.⁸⁹ Davis claimed his actual income was less—by his estimate almost \$400,000 in 2022 and \$479,000 in 2023—but it was still substantial.⁹⁰ He continues to be employed and there is no evidence to suggest his income for 2024 will drop.

⁸² CX-3.

⁸³ CX-2.

⁸⁴ Supp. Stip. ¶ 1.

⁸⁵ Supp. Stip. ¶ 2.

⁸⁶ Supp. Stip. ¶ 5.

⁸⁷ Tr. 230–31 (Davis argument).

⁸⁸ *DiPietro*, 2016 SEC LEXIS 1036, at *16 & n.22.

⁸⁹ JX-52, at 2, 4.

⁹⁰ Tr. 162–63 (Davis).

Second, Davis conceded—after incorporating revisions to his understated assets and overestimated liabilities—that at the time of the hearing he had a positive net worth of approximately \$570,000.⁹¹

Third, Davis owns an IRA that was worth \$563,660 at the end of March 2024. It was worth \$548,660 after he took a premature \$15,000 distribution in April 2024. At the reduced value of \$548,660, accepting Davis’s estimate that liquidation would cost \$200,000 in taxes and penalties, if liquidated the \$348,660 generated would have been more than enough to pay the \$341,397.60 award.⁹²

Fourth, an additional available asset is Davis’s 401(k) account with a vested balance of \$65,328—from which he withdrew \$18,315 in late March 2024 for personal use—that he could have used to partially pay the award.⁹³

Fifth, for the year preceding the hearing, Davis’s stipulated monthly income of \$36,326, exceeded his estimated monthly expenses of \$32,028 by more than \$4,000.⁹⁴ These figures show that Davis could have paid the award, or made a meaningful payment towards it, and still have met his family’s essential needs.

Finally, Davis’s equity in his two real properties provided another potential resource toward paying the award. The parties stipulated that his equity in his family’s home was at minimum \$225,327,⁹⁵ and the equity in Davis’s beach property was approximately \$93,470.⁹⁶ Davis failed to prove that he could not borrow against the equity to pay the award.

V. Conclusion

FINRA issued Davis a notice of suspension under FINRA Rule 9554 on May 27, 2023, for failing to pay the award entered against him by FINRA’s Dispute Resolution Services.⁹⁷ It is well established that “[h]onoring arbitration awards” by requiring FINRA members and associated persons to comply with the terms of awards arbitrators enter against them is “essential” to FINRA’s arbitration system.⁹⁸ A conditional suspension from associating with

⁹¹ Tr. 157–58 (Davis).

⁹² Tr. 136–37 (Davis).

⁹³ Supp. Stip. ¶ 7.

⁹⁴ Supp. Stip. ¶ 9; JX-8, at 6.

⁹⁵ Supp. Stip. ¶ 3.

⁹⁶ Supp. Stip. ¶ 4.

⁹⁷ Stip. ¶ 1.

⁹⁸ *Daniel Paul Motherway*, Exchange Act Release No. 97180, 2023 SEC LEXIS 753, at *13 n.24 (Mar. 21, 2023) (quoting *Gallagher*, 2003 SEC LEXIS 599, at *13).

FINRA members provides a respondent “an incentive to pay the award,” and serves the public interest.⁹⁹

Based on the testimony and evidence presented at this expedited proceeding, I conclude that Davis failed to meet his burden of proving that from the time the award was issued he had a bona fide inability to pay it or make a meaningful contribution toward paying it. I find that a conditional suspension will provide Davis with a necessary incentive to pay the award underlying this proceeding.

VI. Order

Therefore, pursuant to Article VI, Section 3(b) of FINRA’s By-Laws, and FINRA Rule 9559(n), Respondent John Lawrence Davis is suspended from associating with any FINRA member firm in any capacity, effective August 13, 2024. If, prior to this date, Davis files an application for review with the Securities and Exchange Commission and moves to stay the suspension, FINRA will delay its effectiveness until the Commission rules on Davis’s motion to stay. Once the suspension becomes effective, it is to remain in effect until Davis produces sufficient documentary evidence to FINRA that (1) he has paid the award in full; (2) he and SunTrust have agreed to settle the matter and he is current in fulfilling his obligations under the terms of the settlement; or (3) he has filed a petition in a United States Bankruptcy Court, or a United States Bankruptcy Court has discharged the debt representing the award. Upon Davis making such a showing, the suspension will automatically terminate.

In addition, Davis is **ORDERED** to pay the costs of this proceeding, which include \$1,588.28 for the transcript plus a \$750 administrative fee, for a total of \$2,338.28.¹⁰⁰ These costs are due and payable upon the issuance of this decision.¹⁰¹



Matthew Campbell
Hearing Officer

Copies to:

John Lawrence Davis (via email, overnight courier, and first-class mail)
Michael Manning, Esq. (via email)
Ashley Morris, Esq. (via email)
Lloyd Gattis, Esq. (via email)
Jennifer L. Crawford, Esq. (via email)

⁹⁹ *Michael David Schwartz*, Exchange Act Release No. 81784, 2017 SEC LEXIS 3111, at *18 (Sept. 29, 2017).

¹⁰⁰ Davis must pay the costs of the hearing before the suspension terminates.

¹⁰¹ I considered and rejected without discussion all other arguments by the parties.