

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2016049628301**

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

RE: Thomas Alan Meier, Respondent  
Former General Securities Representative/ General Securities Sales Supervisor  
CRD No. 1146044

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**

Thomas Alan Meier ("Meier") joined the securities industry in approximately 1982 and has been associated with eight present and former FINRA-registered broker-dealers. Meier obtained the following securities licenses: Series 6 (Investment Company and Variable Contracts Products Representative) in June 1983, Series 7 (General Securities Representative) in April 1984, Series 63 (Uniform Securities Agent) in May 1984, Series 9 and 10 (General Securities Sales Supervisor) in July 2000, and Series 3 (National Commodities Futures) in June 2002. Meier was associated with Morgan Stanley (the "Firm") from June 1, 2009 to April 5, 2016.

In a Uniform Termination Notice for Securities Registration ("Form U5") dated April 5, 2016, the Firm reported that Meier had resigned effective March 15, 2016 while "under internal review for potential issues involving his trade activity, including possible use of discretion." Between April 5, 2016 and October 12, 2017, the Firm filed 21 amended Forms U5 for Meier disclosing 14 customer complaints, including two arbitration claims. To date, the Firm has settled 13 of these claims and paid the customers a total of approximately \$2.5 million.

Although Meier is not currently associated with any FINRA member, he is subject to FINRA jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

### **RELEVANT DISCIPLINARY HISTORY**

Meier does not have any disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization or any state securities regulator.

### **OVERVIEW**

During the period July 2012 through March 2016 (the "Relevant Period"), Meier effected more than 1,000 unauthorized transactions in the accounts of six customers and exercised discretion without written authorization and without the accounts being accepted as discretionary in the accounts of four other customers. As a result of the foregoing, Meier violated NASD Rule 2510(b) and FINRA Rule 2010.

### **FACTS AND VIOLATIVE CONDUCT**

#### **1. Unauthorized Transactions**

FINRA Rule 2010 requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade." A registered representative's execution of unauthorized transactions in a customer's account violates FINRA Rule 2010.

During the Relevant Period, Meier effected approximately 1,290 unauthorized transactions in eight accounts belonging to six customers, including three married couples. None of the eight accounts were discretionary accounts. The unauthorized transactions effected by Meier included both purchases and sales of equity securities, and Meier received approximately \$265,000 in commissions for those transactions. Meier did not have discussions with the customers about the trades prior to the transactions and did not obtain the customers' authorization prior to executing any of the transactions. Two of the customers realized losses of approximately \$78,000 during the period 2014 through 2015. In addition, there were unrealized losses in the accounts. To date, the Firm has paid a total of approximately \$1,087,610 to five of the customers in connection with complaints about Meier.

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

#### **2. Discretionary Trading**

NASD Rule 2510(b) states that a registered representative may not exercise discretion in a customer's account "unless such customer has given prior written

authorization” and such discretionary authority has been approved, in writing, by the member firm.

During the Relevant Period, Meier exercised discretion in five accounts belonging to four separate customers. None of the customers gave Meier written authorization to exercise discretion in their accounts, and the Firm had not accepted any of the accounts as discretionary. Throughout the Relevant Period, the Firm’s written procedures prohibited representatives from engaging in unauthorized transactions or the exercise of discretion without the prior express authorization of the client. None of the transactions were designated as discretionary in the Firm’s system. As of February 29, 2016, the four customers suffered unrealized losses since inception totaling approximately \$1.4 million in their accounts. In addition, during the period 2014 through 2015, one of the customers realized a loss of approximately \$120,000 and another realized a net loss of approximately \$520,000. In addition, there were unrealized losses in the accounts. To date, the Firm has paid a total of approximately \$1,078,828 to three of the customers in connection with complaints about Meier.

In addition, during the Relevant Period, Meier stated on four annual compliance questionnaires that he did not have any accounts in which business was transacted on a discretionary basis. Meier’s statements were not accurate.

By virtue of the foregoing, Meier violated NASD Rule 2510(b) and 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 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. A bar or expulsion 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**

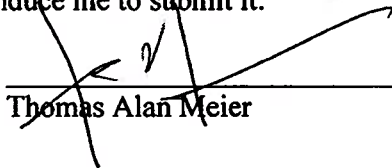
I understand that:

- 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 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.

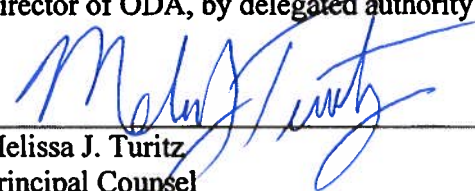
3.9.2018  
Date (mm/dd/yyyy)

  
Thomas Alan Meier

Accepted by FINRA:

3/19/2018  
Date

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

  
Melissa J. Turitz  
Principal Counsel  
FINRA Department of Enforcement  
Brookfield Place, 11th Floor  
New York, New York 10281  
Tel 646-315-7403 / fax 301-527-4835