

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE AT NASHVILLE**

**IN THE MATTER OF
JOHN LAWSON GREER, III**

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)
) **File No. 99-008**
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CONSENT ORDER

WHEREAS, Respondent John Lawson Greer hereby stipulates and agrees, subject to the approval of the Commissioner of Commerce and Insurance (hereinafter referred to as the “Commissioner”) as follows:

General Stipulations

It is expressly understood that this Consent Order is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Consent Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3 Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not

specifically addressed in this Consent Order or for acts and/or omissions that do not arise from the facts or transactions herein addressed

4 Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of this Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner of Commerce and Insurance.

FINDINGS OF FACT

The Tennessee Securities Act of 1980 (the "Act"), as amended, places the responsibility for the administration of the Act on the Commissioner of Commerce and Insurance (the "Commissioner" Tennessee Code Annotated Section 48-2-101, et seq. The Division is the lawful agent through which the Commissioner discharges this responsibility. Tennessee Code Annotated Section 48-2-115

2 Greer applied for registration under the Act and submitted an application Form U-4 through his employing broker dealer on November 4, 1998. Greer is registered with the NASD and has CRD Number 860076

3 Prior to submitting this application, Greer had been registered as agent under the Act while employed with Morgan, Keegan and Company. Morgan, Keegan and Company submitted a Form U-5 terminating Greer's registration under the Act. The Form U-5 disclosed that Greer had been terminated by Morgan, Keegan and Company for opening a fictitious account for his personal use.

4 The Form U-4 application submitted on November 4, 1998 did not disclose that Greer had been terminated for cause by Morgan, Keegan and Company.

5 As a part of the application process, the Division conducted a review of Greer's application and a preliminary investigation. That inquiry determined that in September 1998, Greer opened an account in the name of J. Lawson Green. Greer opened the account using his post office box address and his son's social security number. The new account forms indicated the customer was an experienced investor, possessing several years of trading experience. Further, the forms indicated a much older birth date than Greer's son's actual birth date. The account was not custodial. In October, 1998, Greer attempted to present a cashier's check to be deposited in the J. Lawson Green account. The check had been altered to so as to change "Greer" to "Green." Upon discovery of the altered check, Morgan, Keegan and Company conducted an inquiry and concluded Greer had opened a fictitious account and terminated him for that reason.

6 On December 21, 1998, Greer responded to an inquiry issued by Larry D. Burton, Chief of the Broker-Dealer Section of the Division. Greer stated that he opened the account for his son John Lawson Greer and that it was inadvertently opened as J. Lawson Green. Based upon the information above, the account was not inadvertently opened as J. Lawson Green.

CONCLUSIONS OF LAW

7 Pursuant to Tennessee Code Annotated Section 48-2-115(a), the responsibility for the administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

8 Pursuant to Tennessee Code Annotated Section 48-2-112(a)(2)(A), the Commissioner, by order may deny, suspend, or revoke any registration under the Act if the

Commissioner finds that the order is in the public interest, necessary for the protection of investors, and if the applicant or registrant has filed an application for registration which as of its effective date, or as of any date after filing in the case of an order denying effectiveness, includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

9 Based upon the Findings of Fact and Conclusions of Law contained herein, Greer's Form U-4 and written statements to Mr. Burton made in connection with that application's filing were false by failing to disclose that he had been discharged by Morgan, Keegan and Company for cause. These would constitute violations by Greer of T.C.A. Section 48-2-112(a)(2)(A) and provide grounds for the denial of Greer's application for registration under the Act

10 T.C.A. Section 48-2-112(a)(2)(G) provides that the Commissioner, by order may deny, suspend, or revoke any registration under the Act if the Commissioner finds that the order is in the public interest, necessary for the protection of investors, and if the applicant or registrant has engaged in dishonest or unethical business practices in the securities industry Tennessee Department of Commerce and Insurance Rule No. 0780-4-3-.02(6)(b)4 provides that operating an account under a fictitious name, unless disclosed to the broker-dealer that the agent represents is a dishonest and unethical business practice in the securities industry

11 Based upon the Findings of Fact and Conclusions of Law contained herein, Greer opened and attempted to operate an account under a fictitious name without disclosure to Morgan, Keegan and Company This would constitute a violation of T.C.A. 48-2-112(a)(2)(G) and provide grounds for the denial of Greer's application for registration under the Act.

12. T.C.A. Section 48-2-116 states that the Commissioner may make such orders as are necessary to carry out the provisions of the Act, provided, however, that the order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

13. As a result of the facts stated herein and in view of the fact that the parties wish to resolve this matter without resorting to litigation, entry of this Consent Order is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and Greer's waiver of his right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, T.C.A. §§4-5-101 et seq., and Greer's admission of jurisdiction of the Commissioner, the Commissioner finds that Greer, for the sole purpose of settling this matter and without admitting or denying the matters herein, has consented to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors

IT IS ORDERED, pursuant to T.C.A. §48-2-116(a) of the Tennessee Securities Act that:

Greer's application for registration will be made effective upon entry of this Consent Order by the Commissioner of Commerce and Insurance

2. Greer shall fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder

3 Greer shall retake and pass the Series 7 and 63 agent examinations within 90 days of the entry of this Consent Order. Should Greer not pass these examinations within 90 days of the entry of this Consent Order, Greer agrees to withdraw his registration as an agent under the Act and not resubmit said application for registration in Tennessee until such time he does pass his Series 7 and 63 agent examinations.

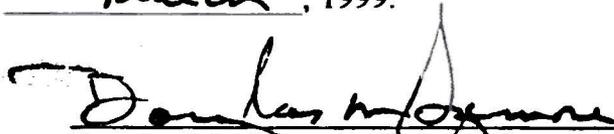
.4. For a period not to exceed two (2) years from the date of entry of this Consent Order, Greer's employing broker-dealer will forward to the Division within three (3) business days of receipt, any customer complaint filed against Greer or relating to any account assigned to Greer. Greer's employing broker-dealer shall notify the Assistant Commissioner for Securities within 10 days of the entry of this Consent Order their agreement to this condition. Should Greer's employing broker-dealer fail to agree to this condition, Greer agrees to withdraw his registration under the Act as an agent.

5. Greer shall pay a civil penalty of Ten thousand dollars (\$10,000) no later than 10 months from the date of entry of this Consent Order. Should Greer fail to pay the aforementioned civil penalty within the stated time period, Greer agrees to the entry of a final order of revocation revoking his agent registration under the Act.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, the Greer affirmatively states that he has freely agreed to the entry of this Consent Order, that he has been advised by the undersigned counsel of record in this matter, that he waives his right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained

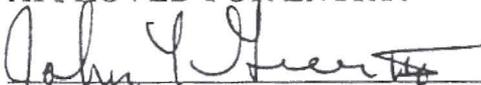
herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

ENTERED this 4th day of March, 1999.



Douglas M. Sizemore, Commissioner
Department of Commerce and Insurance

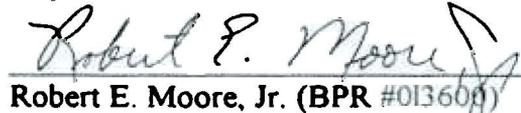
APPROVED FOR ENTRY:



John Lawson Greer, III
Respondent



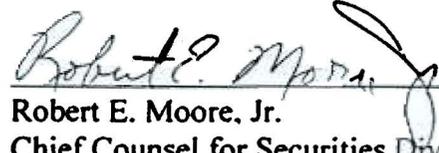
Daphne D. Smith
Assistant Commissioner for Securities
Department of Commerce and Insurance



Robert E. Moore, Jr. (BPR #013600)
Chief Counsel for Securities
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Office of Legal Counsel
Twenty-fifth Floor, Tennessee Tower
312 Eighth Avenue North
Nashville, Tennessee 37243
(615) 741-5917

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been delivered in the United States Mail. Certified Mail, Return Receipt Requested to John L. Greer, III, 7401 Amberwood Drive, Knoxville, Tennessee 37919 this 8th day of March, 1999.



Robert E. Moore, Jr.
Chief Counsel for Securities Division