

**ALFRED REEVES**

**Hallandale, FL**

**December 21, 2015**



**Brent J. Fields, Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549**

**In the matter of Application of Alfred P. Reeves III for  
Review of Disciplinary Action Taken by FINRA  
Admin. Pro. File No. 3-16264**

**Review conclusion, see attached, BASED ON ERRORS OF FACTS and false and not provable interpretations by FINRA.**

**Erroneous facts included in the review letter:**

**From review letter, "Reeves directed his former employer's clearing firm to wire funds to a bank account he controlled instead of to his former employers account."**

**Truth: Reeves, a Series 24 General Principal and a Series 27. Financial & Operations Principal, registered with FINRA for over 35 years, resigned from HWJ Capital Partners II, LLC, (HWJ) on August 30, 2011. Reeves had no reason to believe that HWJ, who hired a former FINRA employee as compliance manager a month earlier, would not comply with the provisions of its Clearing Agreement and FINRA rules regarding terminations of Principals immediately after termination and in no event more than 30 days after termination.**

**Obvious conclusion, no possible reason for the clearing firm to be requesting wire instructions from Reeves for any possible HWJ business as HWJ did no business that would cause a wire transfer. Reeves had sent an invoice to HWJ for services rendered after termination. Clearing firm requested wire instructions from Reeves in October, 2012, more than 30 days after Reeves termination. Clearing firm had no reason to contact Reeves for any HWJ business.**

**Obvious conclusion by Reeves, wire was for money due Reeves.**

**From review letter, "We reject Reeves contention that he did not know that the funds belonged to his former employer."**

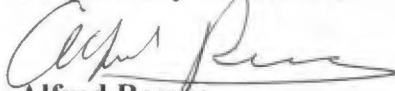
**Truth: HWJ, per its FINRA membership and operating agreements was setup to service the owner's trust accounts. HWJ did not trade for its own account, employed no salesmen, did no commission business and had no income of its own except interest on its clearing deposit which offset the clearing expenses from the owner's trust transactions which usually amounted to less than \$3,000 per month. There was no possible way 59+k would ever be due HWJ and consequently no way the 59+K received by Reeves could or would have anything to do with HWJ.**

**Note: The 59+K sent by the clearing firm was never due HWJ and was not their funds. It was due to errors made by the clearing firm which FINRA and HWJ originally tried to blame on Reeves but was disproved by FINRA's own chief investigator who testified Reeves had no foreknowledge regarding the 59+k.**

**Obvious conclusion, Reeves had no reason to believe the 59+K had anything to do with HWJ or its clearing firm and where Reeves, who had received more than 100 wire transfers during his the 35+ years in the securities business which were always intended for him with no errors, information ignored by FINRA, had no reason to believe the funds were not due him. FINRA's position that Reeves 'should have known' is not a factual point that Reeves did know but they chose to destroy my life and take away my ability to earn a living.**

**Conclusion by the review panel should have been that with no prior knowledge that any funds received by Reeves belonged to anyone else but Reeves, there was no prior conversion of funds and therefore, no violation of FINRA Rule 2010 and that the bar imposed should be lifted.**

**Respectfully submitted,**

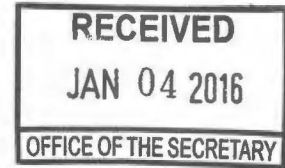
  
**Alfred Reeves**

**cc: Lynn M. Powalski. Deputy Secretary  
U.S. Securities and Exchange Commission**

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934  
Release No. 76376 / November 5, 2015

Admin. Proc. File No. 3-16264



In the Matter of the Application of

ALFRED P. REEVES, III

For Review of Disciplinary Action Taken by

FINRA

OPINION OF THE COMMISSION

REGISTERED SECURITIES ASSOCIATION — REVIEW OF DISCIPLINARY  
PROCEEDINGS

Principal of former member firm of registered securities association converted funds of his former employer in violation of just and equitable principles of trade. *Held*, association's findings of violation and sanction imposed are *sustained*.

APPEARANCES:

*Alfred P. Reeves, III*, pro se.

*Alan Lawhead, Jennifer C. Brooks, and Colleen E. Durbin* for the Financial Industry Regulatory Authority, Inc.

Appeal filed: November 7, 2014  
Last brief received: April 17, 2015

Alfred P. Reeves, III, directed his former employer's clearing firm to wire funds to a bank account he controlled instead of to his former employer's account. We must determine whether this conduct supports FINRA's finding that Reeves converted funds in violation of FINRA Rule 2010, and, if so, whether the sanction imposed by FINRA as a remedy for that violation is excessive or oppressive. We reject Reeves's contentions that he did not know that the funds belonged to his former employer and that FINRA was biased against him; we find that his conversion of his former employer's funds for his own use violated Rule 2010's requirement that associated persons observe "high standards of commercial honor and just and equitable principles of trade;" and we conclude that the bar imposed by FINRA is neither excessive nor oppressive. Accordingly, we sustain FINRA's action.

## I. Background

Reeves has been in the securities industry for over forty years and has worked for several broker-dealers in various principal capacities. During the events at issue, Reeves served as the Financial and Operations Principal ("FINOP") for HWJ Capital Partners II, LLC. He also owned and operated the consulting firm Access Capital Financial Group.

### A. Reeves was HWJ's FINOP from March 2011 through August 2011.

In March 2011, Reeves entered a month-to-month contract with HWJ to serve as the firm's registered FINOP. Two months later, HWJ retained Legent Clearing to provide clearing services to the firm. As HWJ's FINOP, Reeves filled out the necessary paperwork to commence HWJ's relationship with Legent, listing himself as HWJ's "Authorized Billing Contact" and providing his personal cell phone number and email address on the account information form. HWJ's owner signed the agreement and submitted it to Legent.

Reeves continued to work for HWJ until August 30, 2011, when HWJ declined to renew Reeves's contract. The next month, Reeves sent HWJ an invoice in the amount of \$2,000 for services rendered during August. The email transmitting the invoice stated that HWJ's non-renewal of the contract left Reeves in a "financial bind" and that "bookkeeping . . . and any other services for August or in the future are no longer free. Hence, the attached bill. . . . Thank you in advance for sending a check as soon as possible."<sup>1</sup>

### B. HWJ's clearing firm asked Reeves for payment instructions after he had been terminated.

In an October 7 email Legent, HWJ's clearing firm, asked Reeves for payment instructions, writing:

---

<sup>1</sup> After brief associations with two other FINRA member firms, Reeves has not been associated with a FINRA member firm since December 2011.