

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2007010423101**

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REGISTRATION & DISCLOSURE

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

**RE:** Beatriz Fresquez, Respondent  
Investment Company and Variable Contracts Products Representative  
CRD No. 4879159

Pursuant to NASD 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**

Respondent Fresquez entered the securities industry in September 2004 with FINRA (f/k/a NASD) member Chase Investment Services Corp. ("CISC"), and became registered as an investment company and variable contracts products representative with CISC in February 2005. Fresquez was registered with CISC until August 24, 2007. Her employment end-date with CISC was August 2, 2007. Fresquez currently is not registered with a FINRA member. Fresquez has no disciplinary history.

**OVERVIEW**

In 2006 and 2007, Respondent Fresquez converted \$66,247.00 belonging to a JPMorgan Chase Bank ("JPMorgan") customer by: (1) ordering an ATM card for the customer without the customer's knowledge or consent, creating a PIN number for the ATM card, and using the ATM card to withdraw \$23,323.50 from the customer's bank account; and (2) using bank counter withdrawal forms to withdraw \$42,923.50 from the customer's bank account without the customer's knowledge or consent, in violation of NASD Conduct Rule 2110. In addition, Fresquez failed to respond to two staff requests for information concerning this matter, in violation of NASD Conduct Rule 2110 and Procedural Rule 8210.

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## **FACTS AND VIOLATIVE CONDUCT**

### **Conversion**

In October 2006, Respondent Fresquez, in addition to being registered with CISC, also was employed as a customer representative with JPMorgan, CISC's parent company. In October 2006, Fresquez met with customer RZ, and opened a new checking account and a new savings account for her at JPMorgan. Fresquez then ordered an ATM card, but never gave it to RZ. Instead, Fresquez created a PIN number and used the card to withdraw \$23,323.50 from RZ's account between October 2006 and February 2007, without RZ's knowledge or authorization. Fresquez also used counter withdrawal forms from the bank to withdraw an additional \$42,923.50 from the account, without RZ's knowledge or authorization. To further these activities, Fresquez changed the address on RZ's bank account to a post office box in Fresquez's name, so that RZ would not receive her statements. Such acts, practices, and conduct constitute violations of NASD Conduct Rule 2110 by Fresquez.

### **Rule 8210**

By letter dated October 10, 2007, sent via first class mail to Respondent Fresquez's CRD residential address, the staff requested Fresquez, pursuant to Rule 8210, to provide a signed statement by October 24, 2007, in response to specific questions regarding the withdrawals from [REDACTED] account. The first class mailing was not returned to the staff. Fresquez did not respond.

By letter dated October 25, 2007, sent via first class and certified mail to Fresquez's CRD residential address, the staff again requested Fresquez, pursuant to Rule 8210, to provide the signed statement requested in the October 10, 2007 letter, this time by November 8, 2007. The first class letter was not returned by the postal service; the certified letter was returned, marked "Unclaimed". Fresquez did not respond.

Respondent Fresquez' failure to respond to the staff's requests for information constitutes separate and distinct violations of NASD Conduct Rule 2110 and Procedural Rule 8210.

- B. I also consent to the imposition of the following sanction: a bar from association with any FINRA member in all capacities. I understand that if I am barred from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar. (See NASD Rule 8310 and IM-8310-1). Pursuant to NASD IM-8310-3(e), a bar 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 Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal 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 prejudgment of the General Counsel, 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 NASD Rule 9143 or the separation of functions prohibitions of NASD 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 NASD 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 response to public inquiries about my disciplinary record;

3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; 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 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 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.

1-17-08  
Date

Beatriz Fresquez  
Beatriz Fresquez, Respondent

Accepted by FINRA:

2/14/08  
Date

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

Gene E. Carasick  
Gene E. Carasick  
Regional Counsel  
FINRA Department of Enforcement  
One Securities Centre, Suite 500  
3490 Piedmont Road, N.E.  
Atlanta, Georgia 30305  
(404) 239-6125; (202) 721-6536 Fax  
E-Mail: gene.carasick@finra.org