

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

Department of Enforcement,

Complainant,

v.

Amir Aqeel,
CRD No. 5151040,

Respondent.

Disciplinary Proceeding
No. 2008012703401

Hearing Officer: MC

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: October 26, 2011

INTRODUCTION

Disciplinary Proceeding No. 2008012703401 was filed on February 23, 2010 and amended on June 16, 2010, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Amir Aqeel submitted an Offer of Settlement (Offer) to Complainant dated October 14, 2011. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of

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the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Aqeel was registered as an Investment Company and Variable Contracts Products Representative (Series 6) with Farmers Financial Solutions, LLC ("Farmers") from May 25, 2006 until March 7, 2008. During the relevant period, Aqeel was also employed as an insurance agent with Farmers' affiliated insurance company, Farmers Insurance Group ("FIG"). Farmers terminated Aqeel on March 6, 2008 based upon a finding by the Internal Audit Department of Farmers' affiliated insurance company that Aqeel "created six fictitious traditional life policies," as well as that he "attempted to secure a credit guarantee policy . . . for a prospective insurance customer by creating and sending a 'bogus bond.'"

Aqeel is not currently registered with a FINRA registered firm but remained subject to FINRA jurisdiction at the time of the filing of the Complaint and Amended Complaint in accordance with FINRA By-laws Article 5, Section 4(a) because the Complaint was filed within two years after the effective date of Aqeel's effective date of termination of registration.

Although Aqeel has no other FINRA disciplinary history, he pled guilty on June 30, 2011, to First Degree Felony Money Laundering in *The State of Texas v. Amir Aqeel*, Case No. 124172801010 (226th Dist. Ct., Harris County, Texas). The District Court issued an Order of Deferred Adjudication pursuant to which Aqeel was required to pay \$25,000 restitution and placed on "Community Supervision" for a period of five years during which he is required to make additional payments and is subject to various restrictions set forth therein.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

1. Between May 2006 and December 2007, while registered with a member firm, Aqeel provided fictitious information for at least five life insurance policies by placing electronic funds transfer account numbers on the accounts of customer applicants that he knew were not the correct account numbers of the customer applicants. The numbers that he provided were variations of his personal checking account number. In around January 2008, while registered with a member firm, Aqeel created and presented to potential investors a fictitious surety bond in an attempt to gain funding for the development, ownership and management of a hotel in Oconee County, Georgia. Aqeel was compensated \$155,000 in connection with his creation and use of the fictitious surety bond. Both the inclusion of fictitious information on the life insurance policies and the creation and use of the fictitious surety bond constitute independent violations of NASD Conduct Rule 2110.

2. Between May 2006 and December 2007, while registered with a member firm, in completing life insurance policy applications, Aqeel forged two customers' signatures on electronic signature authorization forms, bank authorizations forms, and/or acknowledgement forms. This constitutes violations of NASD Conduct Rule 2110.

3. Between March 2009 and September 2009, FINRA Department of Enforcement ("Department") staff made multiple requests that Aqeel appear and provide on-the-record testimony in accordance with FINRA Rule 8210. These requests were made while FINRA retained jurisdiction over him and he was required to appear and provide on-the-record testimony

in accordance with FINRA Rule 8210. Aqeel failed to appear and failed to provide the on-the-record testimony as required, thereby violating FINRA Rules 8210 and 2010.

FIRST CAUSE OF ACTION
Providing Fictitious Information for Five Life Insurance Policies
Violation of NASD Conduct Rule 2110

4. Between May 25, 2006 and December 2007, while registered and employed with Farmers and employed by FIG, Aqeel completed life insurance policies for customers.

5. The traditional life insurance policy application used at FIG required that a customer's electronic funds transfer account number be included in the application to allow for automatic deductions of monthly premium payments.

6. In five instances, in completing life insurance policy applications between May 2006 and December 2007, Aqeel placed electronic funds transfer account numbers on the accounts of customer applicants that he knew were not the correct account numbers of the customer applicants. Aqeel then submitted the applications for further processing as if the incorrect bank account numbers were the customers' actual account numbers.

7. These five instances were for customer applicants FR, MN, AK, BT, and SK.

8. The numbers used by Aqeel to represent the electronic funds transfer account numbers for the five customers were actually variations of Aqeel's own personal Bank of America checking account number.

9. Based on the submission of the applications, Aqeel received credit towards his compensation.

10. The five policies subsequently lapsed due to invalid account numbers.

11. Aqeel admitted that for certain customer insurance applications, he "did use his [own] bank account information to complete the policy applications"

12. As a result of the foregoing conduct, Aqeel violated NASD Conduct Rule 2110.

**SECOND CAUSE OF ACTION
Creation of False Surety Bond
Violation of NASD Conduct Rule 2110**

13. On or about January 2008, Aqeel created a document entitled "Credit Guarantee" with attachments ("Credit Guarantee"). This document purported to be a fully executed and authentic surety bond in the amount of \$12,500,000 with "Blue Lux LLC c/o Paresh Govan and Tim Burgess" as borrower and "Selective Insurance Group" as surety.

14. By the terms of the first page of the Credit Guarantee:

Blue Lux LLC c/o Paresh Govan and Tim Burgess, as borrower, and Selective Insurance Group, as Surety, are held and firmly bound unto Structured Growth and/or its assign(s) as holder(s) in due course of the within described as beneficiary for Blue Lux LLC, in the sum of twelve & half million U.S. dollars (\$12,500,000.00) payable in one (1) year and one (1) day from the date of issuance as stated herein; for which payment, well and truly made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents, subject to the conditions hereinafter following in this bond ("Bond").

15. Aqeel created the Credit Guarantee so that it appeared to be a fully executed and authentic surety bond, by including the following information which was fictitious:

- a. The document references a specific "Policy Number [REDACTED]"
- b. The second page bears the signature of a [REDACTED] on behalf of

Selective Insurance with what purports to be a stamped notation of:

SELECTIVE INSURANCE
6430 FM 1960 RD WEST
SUITE 101
HOUSTON, TX 77069

- c. The third page references "Binder # [REDACTED]" and includes what purports to be specific terms of a contract and other contract information including

descriptions of: the beneficiary, reference number, policy number, financial guarantee, policy amount, premium, name of confirmation officer, telephone number, fax, and email address of confirmation officer. The third page again bears the signature of a "Peter Steel" and the same appearance of a stamped notation for Selective Insurance as referenced in paragraph 18(b) above.

16. The Credit Guarantee created by Aqeel was not authentic, and was instead fictitious. Despite the information that appeared on the face of the Credit Guarantee:

- a. Selective Insurance Group did not have an office in Houston, Texas in 2008;
- b. Selective Insurance Group did not employ anyone by the name of Peter Steel in 2008 or have anyone by that name acting on its behalf; and
- c. Selective Insurance Group did not enter into a Credit Guarantee with agreement as referenced in the document prepared by Aqeel.

17. After creating the Credit Guarantee, Aqeel used the document in an attempt to secure funding for the development, ownership and management of a hotel in Oconee County, Georgia ("hotel project") by an entity known as Blue Luxe LLC.

18. Specifically, Aqeel referenced the Credit Guarantee with potential lenders in which he sought assistance in securing funding for the hotel project. For example, on or about February 20, 2008, Aqeel represented to a potential funder, SH, that

We have an "A" rated and better obligation to pay in the event that we Blue Luxe LLC defaults in payment to Lender. The obligation is in the form of a Surety Bond for [sic] the amount of 12.5 million dollars.

19. By virtue of his creation of the fictitious Credit Guarantee and his efforts to secure funding using the Credit Guarantee, Aqeel was paid a finder's fee of approximately \$155,000.

20. As a result of the foregoing conduct, Aqeel violated NASD Conduct Rule 2110.

**THIRD CAUSE OF ACTION
Failure to Provide Information in a Timely Manner
Violations of FINRA Rules 8210 and 2010**

The Request for Appearance on March 31, 2009

21. On March 10, 2009, pursuant to and in accordance with FINRA Rule 8210, the Department staff ("staff") requested that Aqeel appear for on-the-record testimony at 10:00 a.m. on Tuesday, March 31, 2009, at FINRA's offices, 1801 K Street, NW, 8th Floor, Washington, DC 20006, in connection with an investigation being conducted by the staff.

22. The request to appear on March 31, 2009, was sent by regular first class, and certified mail to Aqeel at the last known residential address as reflected on FINRA's Central Registration Depository ("CRD").

23. Besides notifying Aqeel of the scheduled on-the-record testimony, the staff's March 10, 2009 letter informed Aqeel that in the event he failed to appear and testify on March 31, 2009, he "may be subject to FINRA disciplinary action and the imposition of sanctions, including a bar from the securities industry, suspension, censure and/or fine."

24. Neither the March 10, 2009 letter sent by regular first class mail nor certified mail was returned.

25. On March 24, 2009, the staff called Aqeel's office telephone number and left a message reminding Aqeel to appear for his on-the-record testimony and provided a telephone number to contact the staff in the event he had any questions.

26. On March 26, 2009, the staff left a voice message for Aqeel on his cell phone. This message also reminded Aqeel of his obligation to appear for his on-the-record testimony on

March 31, 2009 and provided a telephone number to contact the staff in the event he wanted to speak with the staff.

27. Aqeel failed to appear for the on-the-record testimony on March 31, 2009, as required by the notice issued March 10, 2009.

The Request for Appearance on July 8, 2009

28. On June 15, 2009, pursuant to and in accordance with FINRA Rule 8210, staff requested that Aqeel appear for on-the-record testimony at 10:00 a.m. on Wednesday, July 8, 2009, at FINRA's offices, 1801 K Street, NW, 8th Floor, Washington, DC 20006, in connection with an investigation being conducted by the staff.

29. The June 15, 2009 request to appear on July 8, 2009, was sent by regular first class, and certified mail to Aqeel at his last known residential address as reflected on CRD.

30. The copy of the request was sent by regular first class mail was not returned while the copy sent by certified mail was returned as "unclaimed."

31. The June 15, 2009 letter also requested that no later than June 26, 2009, Aqeel confirm with staff that he intends to appear and testify on July 8, 2009.

32. Aqeel did not contact the staff on or before June 26, 2009 to confirm his intention to appear and testify on July 8, 2009.

33. On July 7, 2009, the staff contacted Aqeel on his cell phone. In that call, Aqeel claimed that he did not receive the June 15, 2009 letter. Aqeel confirmed that the CRD address was his current home address. Aqeel also confirmed his work address, his fax number, and his cell phone number. Aqeel also confirmed his electronic mail address.

34. In the same telephone conversation on July 7, 2009, Aqeel informed the staff that he would not be able appear in Washington, DC for on-the-record testimony because the cost of

travel imposed a financial burden on him. Aqeel indicated that travel to Houston, Texas would not impose a financial burden, and he agreed to participate in on-the-record testimony if it took place in Houston.

35. Based on Aqeel's statement that travel to Washington, DC imposed a financial burden, the staff agreed to reschedule the on-the-record testimony so that it could take place in Houston, Texas.

The Request for Appearance on August 12, 2009

36. On July 10, 2009, pursuant to and in accordance with FINRA Rule 8210, FINRA requested that Aqeel appear for on-the-record testimony at 10:00 a.m. on Wednesday, August 12, 2009, at BusinessSuites, 1330 Post Oak Boulevard, Suite 1600, Houston, Texas, in connection with an investigation being conducted by the staff.

37. The July 10, 2009 request to appear on August 12, 2009, was sent by regular first class, and certified mail to Aqeel at his last known residential address as reflected on CRD, and the address that Aqeel confirmed as his current home address during the July 7, 2009 conversation. The July 10, 2009 letter was also sent via electronic mail and fax to the e-mail address and fax number Aqeel had confirmed in his conversation with the staff.

38. The copy of the July 10, 2009 letter sent by regular first class mail was not returned. The staff received confirmation that the electronic mail had been delivered.

39. On July 22, 2009, the staff contacted Aqeel on his cell phone. In that call, Aqeel acknowledged that he received the July 10, 2009 letter requesting his on-the-record testimony. Aqeel also confirmed that he would appear for the on-the-record testimony as scheduled in Houston on August 12, 2009.

40. On July 23, 2009, the staff left two voice messages on Aqeel's cell phone reminding him of the on-the-record testimony scheduled for August 12, 2009. On July 23, 2009 staff also left voice messages with two individuals at Aqeel's office reminding Aqeel of the on-the-record testimony scheduled for August 12, 2009.

41. On July 30, 2009, the staff sent Aqeel a letter confirming the telephone discussion of July 22, 2009, and informing Aqeel that the staff had made travel arrangements, including purchasing airline tickets and making hotel reservations in anticipation of the August 12, 2009 on-the-record testimony in Houston, Texas pursuant to FINRA Rule 8210.

42. The July 30, 2009 letter was sent by regular first class and certified mail to Aqeel at his last known residential address as reflected on CRD, and the address that Aqeel confirmed as his current home address during the July 7, 2009 conversation. The request letter was also sent via electronic mail and fax to his e-mail address and fax number that he confirmed were accurate in his conversation with the staff.

43. The July 30, 2009 letter requested that Aqeel notify the staff immediately in the event he determined that he would not appear for the on-the-record testimony on August 12, 2009. The July 30, 2009 letter also reminded Aqeel that if he failed to appear and testify on August 12, 2009, he "may be subject to FINRA disciplinary action and the imposition of sanctions, including a bar from the securities industry, suspension, censure and/or fine."

44. On August 10, 2009 at 10:42 a.m., Aqeel sent an email to Tracy Angulo ("Angulo"), a member of the Department of Enforcement staff. The email was a reply to an email sent by Angulo on July 30, 2009. The text of the email sent by Aqeel reads:

Miss Tracy,
I had to go out of town to take care of my mother. i will call you when i get back.
sorry for the inconvenience. thanks
amir

45. On August 10, 2009, after receiving Aqeel's email of the same date, the staff sent Aqeel a letter addressed to both his last known residential address as reflected on CRD and his business address both of which he had confirmed were accurate in his conversation with the staff. This letter acknowledged receipt by the staff of Aqeel's email message and informed Aqeel that the staff did not consider his email to constitute "an appropriate and timely request to reschedule your testimony." It informed Aqeel that his "sudden apparent unavailability for an on-the-record interview may be considered a continuing violation of FINRA Rule 8210 for failing to appear for your scheduled testimony...."

46. The staff's August 10, 2009 letter to Aqeel stated that the staff "is providing one last opportunity for you to fulfill your obligation under FINRA Rule 8210" by participating in on-the-record testimony. The letter required, pursuant to FINRA Rule 8210 that by August 21, 2009, Aqeel provide in writing, at least two proposed weekdays in August 2009 in which he would be willing and able to appear for on-the-record testimony in Houston.

47. The August 10, 2009 letter also informed Aqeel that failure to timely respond to the request for available dates may subject him to FINRA disciplinary action and the imposition of sanctions.

48. The August 10, 2009 letter was sent by Federal Express to Aqeel's CRD address and his office address, by first class mail to his CRD address, and by electronic mail to his e-mail address. Staff received confirmation that the Federal Express letters and electronic mail were delivered.

49. On August 21, 2009, the staff received an email from Aqeel which reads:

I am ready to go for testimony after september20th in Houston. Please let me know if that arrangement is oka[y] with you. Thanks amir aqeel

50. Aqeel's communication of August 21, 2009 failed to identify two potential interview dates in August and therefore failed to comply with the staff's request of August 10, 2009.

51. Given Aqeel's affirmative statement that he was available to appear for an on-the-record testimony after September 20, 2009, the staff arranged for an interview after that date.

The Request for Appearance on September 22, 2009

52. On August 26, 2009, pursuant to and in accordance with FINRA Rule 8210, staff requested that Respondent appear for on-the-record testimony at 10:00 a.m. on Tuesday, September 22, 2009, at BusinessSuites, 1330 Post Oak Boulevard, Suite 1600, Houston, TX in connection with an investigation being conducted by FINRA's staff.

53. The August 26, 2009 request to appear on September 22, 2009, was sent by regular first class, certified mail, and Federal Express, to Aqeel at his last known residential address as reflected on CRD. The request was also sent by Federal Express to Aqeel at his business address and as a .pdf attachment to an email addressed to Aqeel at his e-mail address.

54. The August 26, 2009 request informed Aqeel that:

... you are still obligated under FINRA Rule 8210 to appear and provide testimony and this is your last opportunity to do so. Failure to appear for testimony in Houston, Texas on Tuesday, September 22, 2009, may subject you to FINRA disciplinary action and the imposition of sanctions, including a bar from the securities industry, suspension, censure and/or fine.

55. The copy of the request sent by regular first class mail was not returned.

56. On August 31, 2009, Aqeel signed and acknowledged receipt of the Federal Express letter sent to his office. Staff also received confirmation of delivery of the certified mail to Aqeel's CRD address, signed by Aqeel's wife. On September 22, 2009, staff and a court reporter retained by staff appeared at the BusinessSuites location identified to Aqeel for the on-the-record testimony more than an hour in advance of the 10:00 a.m. scheduled starting time and stayed at the location until approximately 12:30 p.m.

57. Aqeel failed to appear for the on-the-record testimony as scheduled on September 22, 2009.

Aqeel's Appearance on May 20, 2010

58. Following the filing of the Complaint and Answer in this case, the staff again requested that Aqeel appear for on-the-record testimony, this time on a voluntary basis. In a series of e-mail communications between April 28, 2010 and May 11, 2010, the staff and Aqeel's counsel discussed possible dates and locations for Aqeel's testimony. Based on those communications, Aqeel agreed to testify in Houston, TX on May 20, 2010.

59. Aqeel appeared and gave on-the-record testimony in Houston, TX on May 20, 2010.

60. The foregoing acts, practices and conduct constitute separate and distinct violations of FINRA Rules 8210 and 2010 by Aqeel.

**FOURTH CAUSE OF ACTION
Forgery
Violations of NASD Conduct Rule 2110**

67. In two instances, in completing life insurance policy applications between May 2006 and December 2007, Aqeel forged two customers' signatures on electronic signature

authorization forms, bank authorization forms, and/or acknowledgement forms, without their knowledge or authorization.

68. The two instances were customers MN and BT.

69. The foregoing acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110.

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Based upon the foregoing, Respondent NASD Rule 2110 and FINRA Rules 8210 and 2010.

Based upon these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

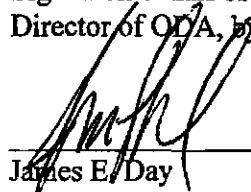
It is ordered that Respondent be suspended from association with any FINRA member in any capacity for a period of two years.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read "James E. Day", is written over a horizontal line.

James E. Day
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