

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009018511001**

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

RE: Ariel Pena (CRD No. 5439179)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Ariel Pena submits 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 him alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

In October 2007, Ariel Pena ("Pena") began working as a personal banker at a branch of JP Morgan Chase Bank ("Chase Bank") located in Manhattan, New York. His job responsibilities included referring Chase Bank customers for securities transactions, so in November 2007, Pena obtained both his Series 6 and 63 securities licenses through FINRA registrant Chase Investment Services Corp. ("Chase Investment Services"). Pena continued to be an associated person until his termination from Chase Investment Services on May 20, 2009. Pursuant to Article V, Section 4 of the FINRA By-Laws, FINRA retains jurisdiction over Pena until at least May 19, 2011.

OVERVIEW

Between January 2009 and May 2009 ("the relevant period"), Pena knowingly submitted false documentation to his employer Chase Bank in order to open 43 customer accounts. Pena did so in order to circumvent Chase Bank's requirement that its

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customers provide written verification of a residential address. These customers were non-U.S. citizens and frequently lacked a fixed address. Without written verification of address, Chase Bank would not have opened accounts for these customers. By submitting false documentation to Chase Bank in order to avoid supervisory guidelines, Pena failed to observe high standards of commercial honor and just and equitable principles of trade and thereby violated FINRA Conduct Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Throughout the relevant period, Chase Bank required that customers opening an account provide a copy of a photo identification along with written verification of residential address. Bills for service, including utilities, cable or telephone services, constituted acceptable forms of residential address verification. In the alternative, customers could submit a pay stub or a letter from their employer verifying employment status and residential address. During the relevant period, Pena was fully aware of his employer's requirement that customers provide documented proof of residential address in order to open an account.

Throughout Pena's tenure with Chase Bank, he solicited customers to open banking and investment accounts, including checking, savings, credit card, mutual fund and annuity accounts. Pena also serviced these customers' accounts after opening them. Pena typically met potential customers at Chase Bank sponsored events. Prior to the relevant period, Pena established a referral relationship with his tax accountant "BS" in which BS referred her tax customers to Pena to open bank accounts and Pena in turn referred bank customers to BS for tax services. Pena generally serviced non-U.S. citizen customers from Latin American backgrounds who, in many instances, were undocumented employees paid in cash. Pena's customers rarely maintained a legal primary residence in the U.S. Many of these customers carried their entire cash holdings on their persons at all times and sought to deposit their money in bank accounts to avoid being victims of robbery. Many failed to meet Chase Bank's requirements to open a new account in that they lacked a primary residence and proof of address.

During the relevant period, Pena approached BS and suggested that he create false address verification letters for these customers. BS agreed and thereafter provided and signed address verification letters on her company's letterhead. These letters falsely represented that the customers worked for BS and resided at the address indicated on the letters. Pena knowingly used these false letters to open 43 bank accounts. In connection therewith, Pena received at least \$800 in commissions.

As a Chase Bank employee and a licensed representative of Chase Investment Services, Pena was responsible for ensuring that accurate documentation was presented to

his employer. He intentionally presented the false address verification letters to Chase Bank in an attempt to avoid supervisory guidelines. By knowingly presenting 43 false address verification letters to Chase Bank, Pena violated FINRA Conduct Rules 2010.

B. Pena also consents to the imposition of the following sanction:

1. to be suspended from association with any FINRA registrant for six months;
2. to pay a \$10,000 fine.

The fine shall be due and payable either immediately upon reassociation with a FINRA registrant following the six-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

Pena specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Pena understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, Pena 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.

II.

WAIVER OF PROCEDURAL RIGHTS

Pena specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- 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, Pena specifically and voluntarily waives 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.

Pena further specifically and voluntarily waives 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

Pena understands 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 Pena; and
- C. If accepted:
 - 1. this AWC will become part of Pena's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Pena;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Pena's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Pena 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. Pena 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.

D. Pena may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Pena understands that he may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

Pena certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has 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 him to submit it.

3/11/2010
Date

Ariel Peña
Ariel Pena

Accepted by FINRA:

March 29, 2010
Date

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

A handwritten signature in black ink, appearing to read "Lane A. Thurgood", written over a horizontal line.

Lane A. Thurgood
Director, Enforcement Center
FINRA Department of Enforcement
1801 K Street NW
Suite 800
Washington, DC 20006