

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Juan Alfredo Aguilar
(CRD No. 5640727),

Respondent.

DISCIPLINARY PROCEEDING
No. 2011027593701

Hearing Officer:

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. While registered with FINRA through a FINRA-registered broker dealer and acting as a personal banker at a bank affiliate of that broker-dealer, Respondent Juan Alfredo Aguilar ("Aguilar") reactivated a dormant bank account and converted approximately \$14,544 of the account's funds without the account owner's knowledge or authorization. By virtue of this conduct, Aguilar violated FINRA Rule 2010.

2. Although Respondent initially cooperated with FINRA's preliminary investigation of this matter, Respondent failed to provide responses to three FINRA Rule 8210 requests issued on September 28, 2011, October 25, 2011, and December 23, 2011. By virtue of this conduct, Aguilar violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

3. Aguilar first entered the securities industry in February 2009.
4. Aguilar became associated with Chase Investment Services Corp. ("the Firm") in March 2010, while he was simultaneously employed as a personal banker with JP Morgan Chase Bank NA ("the Bank"), an affiliate of the Firm.
5. While at the Firm, he maintained the following registrations:
 - a. General Securities Representative (Series 7); and
 - b. Investment Advisor (Series 66).
6. Aguilar was terminated from the Firm on April 4, 2011, as reflected in a Form U5 filed on May 4, 2011, and was terminated by the Bank on or about the same date.
7. Although Aguilar is currently no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for the purposes of this proceeding, pursuant to Article V, Section 4 of the FINRA By-Laws, because (1) the Complaint was filed within two years of the filing of a Form U5 on May 4, 2011; and (2) the Complaint charges him with misconduct while he was registered with a FINRA member and also with failing to respond to FINRA staff's Rule 8210 Requests during a period he was subject to FINRA's jurisdiction.

FIRST CAUSE OF ACTION

CONVERSION (VIOLATION OF FINRA RULE 2010)

8. The Department of Enforcement re-alleges and incorporates by reference Paragraphs 1 through 7 above.
9. FINRA Rule 2010 requires members and associated persons to "observe high standards of commercial honor and just and equitable principles of trade."

10. Conversion of customer funds, even if the customer is not a brokerage customer, violates FINRA Rule 2010.

11. On or about January 14, 2011, Respondent activated a dormant bank account owned by Bank customer AB.

12. Between approximately January 14 through and March 8, 2011, Respondent issued two ATM cards to access the account, and used those two cards to withdraw from the account approximately \$14,544.

13. On March 18, 2011, the Bank received a complaint from customer AB regarding the unauthorized issuance of two ATM cards and funds missing from her account.

14. Aguilar admitted to reactivating AB's account and withdrawing the funds.

15. Aguilar was terminated from the Bank and from the Firm on or about April 4, 2011.

16. By reason of the foregoing, Respondent Aguilar violated FINRA Rule 2010.

SECOND CAUSE OF ACTION

FAILURE TO PROVIDE INFORMATION TO FINRA (VIOLATION OF FINRA RULES 8210 AND 2010)

17. The Department of Enforcement re-alleges and incorporates by reference Paragraphs 1 through 16 above.

18. FINRA Rule 8210 requires member firms and associated persons to respond accurately and truthfully to requests for information.

19. FINRA Rule 2010 requires member firms and associated persons to "observe high standards of commercial honor and just and equitable principles of trade."

20. On September 28, 2011, FINRA staff requested, pursuant to FINRA Rule 8210, documents and information from Respondent (the “First Request”) by October 19, 2011.

21. The First Request was sent by certified first class mail to the attorney who had responded to preliminary investigative inquiries on behalf of Aguilar (“attorney address”) and to two addresses for Aguilar, his CRD address (“CRD address”) and an alternative address identified by the staff (“alternative address”).

22. The certified return receipt for the First Request was signed for at the attorney address and by “Mitchell Pruitt” at the alternative address. No certified return receipt was received for the CRD address.

23. Aguilar did not respond to the First Request.

24. On October 25, 2011, FINRA staff sent, pursuant to FINRA Rule 8210, a second request to Aguilar in connection with the now overdue documents and information (the “Second Request”), requesting that Aguilar provide the requested documents and information no later than November 8, 2011.

25. The Second Request was sent by certified first class mail to the same addresses as the First Request, described above at Paragraph 21.

26. The certified return receipt for the Second Request was signed for by “Mitchell Pruitt” at the CRD address. Letters addressed to the attorney address and to the alternative address were returned to FINRA. The alternative address letter was unclaimed, and the attorney address letter was returned due to a defect in the mailing address on the envelope that rendered the letter undeliverable.

27. Aguilar did not respond to the Second Request.

28. On December 23, 2011, FINRA staff sent, pursuant to FINRA Rule 8210, a third request to Aguilar, attaching copies of the First and Second Requests ("Third Request"). It called for Aguilar to produce the requested documents and information no later than January 6, 2012.

29. The Third Request was sent by certified first class mail to the same addresses as the First and Second Requests, as described above at Paragraph 21.

30. The certified return receipt for the Third Request was signed for at the attorney address and by "Jilian Aguilar" at the alternative address. The letter sent to the CRD address was returned to FINRA as unclaimed.

31. Aguilar failed to respond to the Third Request.

32. By failing to respond to the First, Second, and Third Request, Aguilar violated FINRA Rules 8210 and 2010.

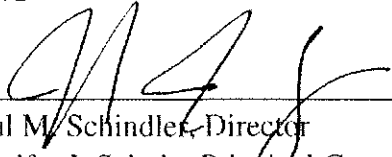
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: April 26, 2012



Paul M. Schindler, Director
Jennifer J. Schulp, Principal Counsel
FINRA Department of Enforcement
1801 K Street NW, Suite 800
Washington, D.C. 20006
(202) 974-2751 (t); (202) 721-6593 (f) (PS)
paul.schindler@finra.org
(202) 974-2830 (t); (202) 721-1359 (f) (JS)
jennifer.schulp@finra.org