

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012033461601**

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

RE: Jeff Yung-Tai Wang, Respondent
Registered Representative
3189260

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jeff Yung-Tai Wang, 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

Jeff Yung-Tai Wang ("Wang" or "Respondent") first entered the securities industry in June 1999 with Carlin Equities, LLC and continued to be associated with them until December 2000. Wang received his Series 62 license in June 1999, his Series 63 license in July 2000, his Series 7 license in September 2000 and his Series 55 license in September 2001. From January 2001 through December 2011 Wang was associated with various FINRA-regulated firms as both a General Securities Representative and as a Trader. On December 8, 2011 Wang became associated with Credit Suisse Securities (USA) LLC (the "Firm") as a Relationship Associate. He remained with the Firm until it filed a Uniform Termination Notice for Securities Industry Registration (the "Form U-5") on July 24, 2012 reporting that on June 25, 2012, Wang was discharged because he "failed to comply with firm's policy regarding verbal confirmation of wire transfer requests with a customer and inaccurately completed related documentation." Wang is not currently associated with a FINRA member.

Pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over Wang until at least July 23, 2014.

RELEVANT DISCIPLINARY HISTORY

Wang has no formal disciplinary history.

OVERVIEW

From April 16, 2012 through May 14, 2012, Wang was forwarded and directly received several emails from an email account belonging to a Firm customer instructing the Firm to process seven wire transfers and two stock sales. The emails were actually sent from an imposter who hacked into the customer email account and claimed to be unavailable to speak to over the telephone. Based on the email instructions and without personally speaking with the customer, Wang processed the requests. In order to process the wire transfers, Wang completed seven wire transfer request forms falsely stating that he had spoken to the customer to confirm the wire transfer requests.

Wang violated FINRA Rule 2010 by falsely stating on Firm wire transfer request forms on seven occasions that he had spoken to the customer to confirm the wire transfer instructions. Furthermore, Wang violated FINRA Rule 4511 by causing his firm's books and records to be inaccurate by entering false information on the wire transfer request forms. As a result of violating FINRA Rule 4511, Wang also violated FINRA Rule 2010.

In addition, Wang violated FINRA Rule 2010 by processing two stock sale requests received from the customer's email account without obtaining a verbal confirmation of the requests in violation of Firm policy.

FACTS AND VIOLATIVE CONDUCT

Facts

As a Relationship Associate, Wang primarily assisted Relationship Managers with processing Firm customer requests. From April 16, 2012 through April 18, 2012 a series of emails were sent from a customer email account to the email account of a Relationship Manager at the Firm. These emails were then forwarded by the Relationship Manager to another Relationship Manager as well as Wang. The emails were sent from an imposter that Wang and the other Firm personnel believed to be the actual customer. The emails requested a wire transfer for \$10,000 from the customer's Firm account to a third party account. The emails

sent from the imposter between April 16, 2012 and April 18, 2012 indicated that the customer was unavailable to speak over the telephone.

Firm procedures prohibit employees from accepting client orders by e-mail without verbally confirming them with the client. Furthermore, Firm procedures require that third party instructions, including wire transfer requests and orders for securities transactions, received via email must be verbally confirmed by speaking with the client. Firm procedures also require that evidence of verbal confirmation regarding wire transfers be documented by Firm personnel recording their signature and date onto the Firm Outgoing Wire Transfer Letter of Authorization document. Wang was responsible for obtaining verbal confirmations of this kind and for processing transactions at the direction of the Relationship Managers.

On April 18, 2012, without speaking to the customer, Wang processed the imposter's \$10,000 wire transfer request and the Firm transferred the customer's funds to a third-party account. In order to process the wire transfer, Wang placed his signature and date onto the wire transfer request form, specifically the Firm Outgoing Wire Transfer Letter of Authorization document, thereby indicating that Wang had obtained a verbal confirmation of the request from the customer. As a result, Wang prepared a false form that indicated there was a telephone communication with the customer to confirm the wire transfer instructions.

During the period from April 20, 2012 through May 14, 2012 Wang and two Relationship Managers at the Firm received several more emails from the same customer email account instructing the Firm to process an additional six wire transfer requests totaling \$291,500 to a third-party account. These emails were sent from an imposter that Wang and the other Firm personnel believed to be the actual customer. As had been done in the April 18th transaction, Wang processed the wire transfer requests without speaking to the customer. Wang again placed his signature and date onto the wire transfer request forms, specifically the Firm Outgoing Wire Transfer Letter of Authorization documents, thereby indicating that Wang had obtained verbal confirmations of the requests from the customer. During this same period, Wang also processed two stock sale requests received from the customer email account without verbally confirming the requests with the customer as required pursuant to Firm procedures. These emails were also sent from an imposter that Wang believed to be the actual customer.

As a result, Wang falsely stated on Firm documents on seven occasions that he had obtained a verbal confirmation for each of the wire transfer requests received from the customer. The processing of these transactions resulted in seven wire transfers totaling \$301,500.¹

¹ The Firm has since repaid the customer for the full amount of the transactions.

Violative Conduct

FINRA Rule 2010 provides that "[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade." It is well settled that a registered person's preparation of false firm documents is conduct that is inconsistent with just and equitable principles of trade and violates the high standards of commercial honor to which FINRA holds registered individuals; therefore, such conduct violates FINRA Rule 2010.

In addition, FINRA Rule 4511 requires each member to make and preserve books and records in conformity with Rules 17a-3 and 17a-4 of the Securities Exchange Act. Rule 17a-4(b)(4) requires that a firm preserve records relating to communications concerning the firm's business, and those records must be accurate. Thus, falsification of a firm's required books and records violated FINRA Rule 4511 as well as FINRA Rule 2010.

Wang violated FINRA Rule 2010 by falsely stating on Firm wire transfer request forms on seven occasions that he had spoken to a customer to confirm wire transfer instructions. Furthermore, Wang violated FINRA Rule 4511 by causing his firm's books and records to be inaccurate by entering false information on the seven wire transfer request forms indicating that he had obtained verbal confirmation from the customer. As a result of violating FINRA Rule 4511, Wang also violated FINRA Rule 2010.

In addition, Wang violated FINRA Rule 2010 by processing two stock sale requests received from the customer's email account without obtaining a verbal confirmation of the requests in violation of Firm policy.

B. I also consent to the imposition of the following sanctions:

- a fine in the amount of \$10,000; and
- a 4-month suspension from association with any FINRA member in any capacity.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 4-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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I 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

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, 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 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

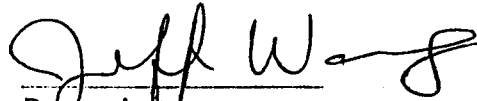
I understand that:

- 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 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 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 FINRA Rule 8313; 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: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

Oct 3, 2013

Date



Respondent

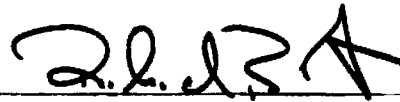
Jeff Yung-Tai Wang

Accepted by FINRA:

10.18.13

Date

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



Richard R. Best

Chief Counsel

FINRA Department of Enforcement

One World Financial Center

200 Liberty Street, 11th Floor

New York, NY 10281

Phone: (646) 315-7308