

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012034217101**

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

RE: Eduardo Tobias Travieso, Respondent
CRD No. 5178128

Pursuant to FINRA 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

Eduardo Tobias Travieso ("Travieso") entered the securities industry in June 2006 when he became associated with JP Morgan Securities Inc. Travieso became Series 7 licensed in August 2006. In October 2008, his registration was part of a mass transfer from JP Morgan Securities Inc. to JP Morgan Securities LLC. On April 19, 2013, JP Morgan filed a Form U5 reflecting Travieso's termination as of March 21, 2013. Travieso has not since reassociated with a FINRA member firm, however, FINRA retains jurisdiction over Travieso pursuant to Article V, Section 4(a) of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons.

RELEVANT DISCIPLINARY HISTORY

Travieso has no relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

1. *Improperly Permitting Customers to Use Travieso's Residential Address as their Account Address of Record.*

FINRA Rule 2010 requires registered representatives to "observe high standards of commercial honor and just and equitable principles of trade." It is a broad ethical rule that encompasses any unethical behavior if "the misconduct reflects on the associated person's ability to comply with the regulatory requirements of the securities business and to fulfill his fiduciary duties in handling other people's money." A failure to follow a firm's policies and procedures is a violation FINRA Rule 2010.

From August 13, 2009 through March 30, 2012, Travieso used his residential address as the mailing address on two customer accounts. One of the customers, PJTL, was an individual who lived in Venezuela and was a long-time friend of Travieso. The other customer, LAM LLC, was PJTL's personal investment company. Travieso used his personal residential address for these two accounts at PJTL's request. Travieso never disclosed to JP Morgan that he had allowed the customers to use his residential address as the mailing address on the accounts. JP Morgan's Compliance Manual does not permit account documents to be addressed to a customer at a registered representative's residential address.

As a result of the foregoing, Travieso violated FINRA Rule 2010.

2. *Failing to Disclose a Power of Attorney Travieso Held on an Outside Brokerage Account.*

NASD Rule 3050(c) provides, in relevant part,

A person associated with a member, prior to opening an account or placing an initial order for the purchase or sale of securities with another member, shall notify both the employer member and the executing member, in writing, of his or her association with the other member . . .

Paragraph (e) of NASD Rule 3050 specifies that the requirements of paragraph (c) of the Rule applies to accounts in which the associated person has either a financial interest or discretionary trading authority.

From November 20, 2010 through May 2012, Travieso held a power of attorney on an account that he assisted customer LAM LLC with opening at another FINRA regulated broker-dealer. The power of attorney granted Travieso limited trading authority; Travieso could direct trades in the account but could not withdraw funds. Although Travieso was aware of the requirement to inform JP

Morgan of brokerage accounts outside of JP Morgan over which he had authority, he failed to notify JP Morgan that he was helping to open the outside account, using his mailing and email address on the account, or that he had a power of attorney on the account. He also concealed his association with JP Morgan from the other FINRA regulated broker-dealer when he opened the account.

As a result of the foregoing, Travieso violated NASD Rule 3050 and FINRA Rule 2010.

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

A six-month suspension from associating with any FINRA member in any capacity and a \$15,000 fine.

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

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction 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 Chief Legal Officer, 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 accordance with FINRA Rule 8313;
 - 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.

12/29/2014

Date (mm/dd/yyyy)

Eduardo Travieso
Eduardo Tobias Travieso, Respondent

Reviewed by:

Katherine Kirkpatrick

Katherine Kirkpatrick
Counsel for Respondent
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Phone: 212-556-2113

Accepted by FINRA:

1/21/15

Date

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

Christina Stanland

Christina Stanland
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