

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Jose J. Martinez, Jr.  
(CRD No. 5590432)

Respondent.

Disciplinary Proceeding  
No. 2012034384101

**COMPLAINT**

The Department of Enforcement alleges:

**SUMMARY**

1. Between March 2012 and August 2012 (the "Relevant Period"), while dually employed as a registered personal banker at JPMorgan Chase ("Chase Bank") and Chase Investment Services Corp. (the "Firm"), Jose J. Martinez, Jr. ("Martinez" or "Respondent"), violated FINRA Rule 2010 by converting at least \$1,500 from Chase Bank customer GM.

2. Martinez also violated FINRA Rules 8210 and 2010 by failing to comply with requests to provide a written statement to FINRA.

**RESPONDENT AND JURISDICTION**

3. Martinez became registered with FINRA in September 2008, when he joined the Firm's affiliate bank, Chase Bank, as a personal banker. Martinez remained registered with the Firm until October 2, 2012.

4. On October 12, 2012, the Firm's successor, J.P. Morgan Securities LLC ("JP Morgan"), filed a Uniform Notice for Securities Industry Termination ("Form U5") reporting that Martinez had been terminated by Chase Bank on September 14, 2012, after admitting to "misappropriating \$1,500, through debits and ATM withdrawals, from a bank client's account for personal use."

5. Although Martinez is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Martinez's registration with the Firm, namely October 12, 2012, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member and with failing to respond to FINRA's requests for information during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

**First Cause of Action**  
**CONVERSION OF A BANK CUSTOMER'S FUNDS**  
**(FINRA Rule 2010)**

6. The Department realleges and incorporates by reference paragraphs 1 through 5 above.

7. FINRA Rule 2010 requires that registered representatives observe "high standards of commercial honor and just and equitable principles of trade."

8. During the Relevant Period, Martinez was manager of a Chase Bank branch office located in Phoenix, Arizona (the "Phoenix Branch Office").

9. GM maintained accounts at Chase Bank and conducted banking transactions at the Phoenix Branch Office.

10. During a visit to the Phoenix Branch Office, GM left his debit card, which had the personal identification number written on the back, on Martinez's desk.

11. Martinez did not return the debit card to GM. Instead, on multiple occasions during the Relevant Period, Martinez used GM's debit card to withdraw cash and pay for personal expenses.

12. Martinez's unauthorized debit card transactions totaled at least \$1,500.

13. Martinez used GM's debit card to withdraw the funds from GM's account without GM's or Chase Bank's knowledge or authorization.

14. On September 29 and October 1, 2012, Chase Bank reimbursed GM by posting credits to his account.

15. Martinez's conversion of at least \$1,500 from GM for his own use and benefit violated FINRA Rule 2010.

**SECOND CAUSE OF ACTION**  
**Failure to Provide Information**  
**(FINRA Rules 8210 and 2010)**

16. The Department realleges and incorporates by reference paragraphs 1 through 15 above.

17. FINRA Rule 8210(a)(1) requires "a member, person associated with a member, or person subject to the Association's jurisdiction to provide information orally, in writing, or electronically (if the requested information is, or is required to be, maintained in electronic form) and to testify at a location specified by Association staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding."

18. On January 10, 2013, Enforcement sent Martinez a letter pursuant to FINRA Rule 8210, requesting that he provide a written statement to Enforcement no later than January 31, 2013, responding to allegations that he converted funds from Chase Bank customer GM.

19. Enforcement sent the letter by certified mail, return receipt requested and first class mail to [REDACTED] which was Martinez's last residential address as

reflected in the Central Registration Depository (the "CRD Address"). The letter was also sent to [REDACTED] which was a possible alternative address obtained from Lexis-Nexis (the "Alternate Address").

20. The letters sent to Martinez on January 10, 2013, by certified mail, return receipt requested and first class mail to the CRD Address and the Alternate Address were returned to Enforcement. All four envelopes were marked "RETURN TO SENDER-ATTEMPTED NOT KNOWN-UNABLE TO FORWARD."

21. Martinez did not respond to FINRA's January 10, 2013 request for information.

22. On February 1, 2013, Enforcement sent Martinez a letter pursuant to FINRA Rule 8210, requesting that he provide a written statement to Enforcement no later February 15, 2013, responding to allegations that he converted funds from Chase Bank customer GM.

23. Enforcement sent the February 1, 2013 letter by certified mail, return receipt requested and first class mail to the CRD Address and the Alternate Address. The letter advised Martinez that a failure on his part to comply with the request could expose him to sanctions, including a permanent bar from the securities industry.

24. The letters sent to Martinez on February 1, 2013, by certified mail, return receipt requested and first class mail to the CRD Address were returned to Enforcement. The certified mail envelope was marked "RETURN TO SENDER-NOT DELIVERABLE AS ADDRESSED-UNABLE TO FORWARD." The first class envelope was marked "RETURN TO SENDER-ATTEMPTED NOT KNOWN-UNABLE TO FORWARD."

25. The letter sent to Martinez on February 1, 2013, by certified mail, return receipt requested at the Alternate Address was returned to Enforcement. The envelope was marked "RETURN TO SENDER-UNDELIVERABLE AS ADDRESSED." The February 1, 2013 letter sent by first class mail to Martinez at the Alternate Address was not returned to Enforcement.

26. Martinez did not respond to FINRA's February 1, 2013 information request.

27. Martinez's failures to provide written responses constitute a violation of FINRA Rules 8210 and 2010.

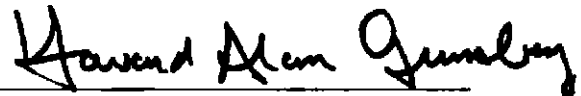
### **RELIEF REQUESTED**

**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;
- C. order that the 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: May 3, 2013



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