

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120344304**

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

RE: George Mina Zaki, Respondent
General Securities Representative
CRD No. 5437015

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent 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 me 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

Respondent entered the securities industry in October 2007 when he joined Firm 1, a FINRA-regulated broker-dealer. In April 2008 Respondent became registered as a Series 7 general securities representative, and in February 2009 he obtained his Series 66 license. On June 4, 2010 Respondent's registration with Firm 1 was terminated voluntarily, and he became registered with Merrill Lynch, Pierce, Fenner & Smith Inc., a FINRA-regulated broker-dealer ("Merrill Lynch" or "Firm"). Respondent remained registered with Merrill Lynch until he was terminated on October 8, 2012. Merrill Lynch filed a Form U-5 on October 17, 2012 stating that Respondent was terminated for "conduct involving exercising discretion in non-discretionary client accounts." On November 15, 2012, Respondent became registered with Firm 2, a FINRA-regulated broker-dealer, where he remained until March 7, 2014. On March 7, 2014, Respondent became registered with another FINRA-regulated broker-dealer where he is presently employed.

RELEVANT DISCIPLINARY HISTORY

Respondent has no prior disciplinary history.

OVERVIEW

Between June 2010 and August 2012 (the "Relevant Period"), Respondent, while at the Firm, implemented and/or executed approximately 3,600 discretionary trades in the accounts of approximately 80 Merrill Lynch customers without the customers' prior written authorization and the Firm's acceptance of the accounts as discretionary.

FACTS AND VIOLATIVE CONDUCT

NASD Rule 2510(b) provides that no member or registered representative shall exercise any discretionary power in a customer's account unless such customer has given prior written authorization to a stated individual and the account has been accepted by the member. Subsequent ratification of the transaction by the customer does not excuse this violation.

FINRA Rule 2010 requires members and associated persons to observe high standards of commercial honor and just and equitable principles of trade in the conduct of his business.

Respondent had been a registered representative at Firm 1 prior to joining Merrill Lynch in 2010. While at Firm 1, his accounts operated on a fee-based, discretionary model. However, when Respondent moved to Merrill Lynch and many of his customers transferred their accounts to Merrill Lynch, the customers generally opened accounts on the Merrill Lynch Personal Advisor ("MLPA") platform, which did not allow registered representatives to enter trades on a discretionary basis.

During the Relevant Period, Respondent's role at the Firm included processing trades for the approximately 80 customers on the MLPA platform he participated in servicing. As a result of the restrictions of the MLPA accounts, Respondent was not permitted by the Firm to exercise discretion in these accounts. Although Respondent's customers had previously provided verbal authority to place trades in their accounts, Respondent did not have written discretionary trading authority from his clients. During the Relevant Period, Respondent participated in effecting approximately 3,600 trades in the accounts of approximately 80 Firm customers without the customers being contacted prior to the trades. Additionally, during the Relevant Period, Respondent completed Firm questionnaires in which he answered "no" to the question whether he had entered trades prior to speaking with a client (other than an approved Firm discretionary platform). By exercising discretion in customers' accounts without written authority, Respondent violated

NASD Conduct Rule 2510(b) and FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanctions:

1. A two-month suspension from associating with any FINRA registered broker-dealer in any capacity; and
2. A fine of \$15,000.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposed to pay the fine imposed.

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

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

Respondent 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, Respondent specifically and voluntarily waives 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.

Respondent 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

Respondent 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 Respondent; and**
- C. If accepted:**
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;**
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent'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. Respondent 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. Respondent 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 Respondent's: (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent 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.

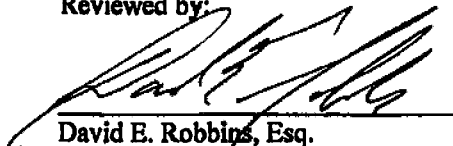
Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce him to submit it.

Date

6/10/2014

George Mina Zaki, Respondent

Reviewed by:



David E. Robbins, Esq.
Counsel for Respondent
Kaufmann Gildin & Robbins LLP
767 Third Avenue, 30th Floor
New York, NY 10017
(212) 705-0815

Accepted by FINRA:

6/12/14
Date

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



Richard Chin
Chief Counsel
FINRA Department of Enforcement
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