

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035506801**

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

RE: William Patrick Lentell, Respondent
General Securities Representative
CRD No. 2136035

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, William Patrick Lentell ("Respondent"), 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 Respondent 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 February 1991 and became registered with FINRA as a General Securities Representative (Series 7) in May 1991.¹ From February 1991 to September 2008, Respondent was registered with six FINRA-regulated broker-dealers.

In September 2008, Respondent became registered with Morgan Stanley (the "Firm"), a FINRA-regulated broker-dealer. The Firm filed a Form U5 Uniform Termination Notice for Securities Registration dated January 4, 2013 reporting Respondent's termination in connection with his improper acceptance of loans from customers of the Firm.

Since his termination from the Firm, Respondent has not been registered with a FINRA-regulated broker-dealer, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws until at least January 3, 2015.

RELEVANT DISCIPLINARY HISTORY

Respondent has no prior FINRA disciplinary history.

¹ Respondent also acquired his Series 63 (State Law Uniform Securities Agent) in May 1991, Series 65 (Uniform Investment Advisor) in July 1993, and Series 24 (General Securities Principal) in May 2003.

OVERVIEW

From 2009 through 2012 (the "Relevant Period"), Respondent improperly accepted 16 loans from 11 Firm customers totaling \$316,000, of which he failed to repay \$52,000. In addition, during the Relevant Period, Respondent falsely represented to the Firm in three compliance questionnaires that he had not borrowed money from any Firm customers. By engaging in this misconduct, Respondent violated NASD Rule 2370/FINRA Rule 3240¹ and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3240, formerly NASD Rule 2370, prohibits registered persons from borrowing money from or lending money to his or her customers unless the firm has written procedures that permit lending arrangements and the lending arrangement meets one of five permissible conditions.

The Firm's written policies and procedures generally prohibited representatives from borrowing from a Firm customer, except for immediate family members, one of the five permissible conditions under NASD Rule 2370/FINRA Rule 3240.

During the Relevant Period, Respondent improperly accepted 16 loans totaling \$316,000 from 11 Firm customers, none of whom were Respondent's immediate family members. The following chart summarizes the details of those loans:

Loan	Customer	Loan Amount	Loan Date	Amount Repaid	Repayment Date	Loan Balance
1	JC & KC	\$20,000	2009	\$20,000	2010	\$0
2		\$30,000	2010	\$30,000	2011-2012	\$0
3		\$3,500	2011	\$3,500	2011	\$0
4	DS	\$30,000	2009	\$30,000	2009-2012	\$0
5	NW	\$10,000	2010	\$8,500	2011	\$1,500
6		\$2,500	2011	\$0	N/A	\$2,500
7	DJG	\$10,000	2010	\$8,000	2011-2012	\$2,000
8	BO & FO	\$25,000	2010	\$25,000	2011	\$0
9		\$40,000	2011	\$40,000	2012	\$0
10	RL	\$5,000	2011	\$5,000	2011	\$0
11		\$20,000	2012	\$4,000	2012	\$16,000
12	JS & MS	\$40,000	2011	\$22,500	2012	\$20,000
13	FC & EC	\$20,000	2011	\$20,000	2012	\$0
14	DG	\$10,000	2012	\$0	N/A	\$10 000
15	NW	\$6,000	2012	\$6,000	2012	\$0
16	QC	\$44,000	2012	\$44,000	2013	\$0
Totals:		\$316,000				\$52,000

The terms of the loan arrangements, except for the loan with customer QC, were not memorialized in writing. To date, Respondent has failed to repay \$52,000 of the \$316,000 to five customers.

¹ NASD Rule 2370 was superseded by FINRA Rule 3240, effective June 14, 2010.

The difference between the loan amount and the loan balance is due to accrued interest.

While none of the customers complained about the loan arrangements, Respondent did not notify or receive approval from the Firm prior to entering into any of the loan arrangements. Moreover, given that none of the customers were immediate family members of Respondent, the Firm's procedures precluded him from accepting such loans.

By virtue of the foregoing misconduct, Respondent violated NASD Rule 2370/FINRA Rule 3240 and FINRA Rule 2010.

Furthermore, in three compliance questionnaires completed by Respondent in January 2010, April 2011 and April 2012, Respondent falsely misrepresented to the Firm that he had not borrowed money from any Firm customers. By virtue of this misconduct, Respondent violated FINRA Rule 2010 which requires registered persons to observe high standards of commercial honor and just and equitable principles of trade.

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

A bar from associating with any FINRA member in any capacity.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he 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. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 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.

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 him; and
- C. If accepted:
 - 1. this AWC will become part of his 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 his 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 his: (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.

Respondent, William Patrick Lentell, 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.

07/03/2013
Date (mm/dd/yyyy)


William Patrick Lentell, Respondent

Reviewed by:


Matthew J. Tuttle
Counsel for Respondent
Pinkham Busny, LLP
42 Pleasant Street
Woburn, MA 01801
T: (781) 933-6840
E-mail: mtuttle@pinkhambusny.com

Accepted by FINRA:

July 19 2013
Date

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


Susan Light
Senior Vice President & Chief Counsel
FINRA, Department of Enforcement
One World Financial Center
200 Liberty Street, 11th Floor
New York, NY 10281
T: (646) 315-7333
E-mail: