

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2014040437001**

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

RE: Shaurja Ray, Respondent  
General Securities Representative  
CRD No. 5394906

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Shaurja Ray ("Ray") 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. Ray 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**

Ray entered the securities industry in June 2007 when he became associated with a FINRA regulated broker dealer. Ray obtained his Series 7 (General Securities Representative), Series 63 (State Securities Agent), and Series 79 (Limited Representative – Investment Banking) licenses in September 2007, October 2007 and April 2010, respectively. Ray left this broker dealer in June 2010. Ray became associated with another FINRA regulated broker dealer, in August 2010 and remained there until February 2011. From March 2011 until early February 2014, Ray was associated with J.P. Morgan Securities LLC ("JP Morgan" or the "Firm"), a FINRA regulated broker-dealer, as a junior research analyst in its U.S. Consumer and Retail Research Division. He obtained his Series 86/87 (Research Analyst) license in September 2011 while employed there.

On March 6, 2014, JP Morgan filed a Uniform Termination Notice for Securities Industry Registration ("Form U-5") reporting Ray's termination. The Form U-5 stated, "The Firm concluded that the employee used their corporate credit card for personal expenses in violation of JP Morgan Chase & Co. policy."

Ray has not been associated with a FINRA regulated broker dealer since February 4, 2014. Pursuant to Article V, Section 4 of FINRA's By-Laws, Ray remains subject to FINRA's jurisdiction until March 5, 2016.

### **RELEVANT DISCIPLINARY HISTORY**

Ray has no prior disciplinary history in the securities industry.

### **OVERVIEW**

In December 2013, Ray converted approximately \$688.10 from his member firm employer by charging personal meal expenses to his corporate-issued credit card. In December 2013 and January 2014 (the "Relevant Period"), Ray submitted falsified receipts to the Firm misrepresenting those expenses to be reimbursable business expenses.

By converting his member firm employer's funds, Ray violated FINRA Rule 2010.

### **FACTS AND VIOLATIVE CONDUCT**

FINRA Rule 2010 requires all associated persons to observe high standards of commercial honor and just and equitable principles of trade.

In December 2013, Ray had a Firm issued MasterCard corporate credit card for travel and other expenses incurred in connection with his authorized business activities for the Firm (the "Firm credit card").

During December 6<sup>th</sup> through 9<sup>th</sup>, 2013, Ray was in Los Angeles, California, at the request of his Managing Director ("MD") to assist with client visits to issuers the MD covered in his research, and related client activities. Ray was supposed to assist with and participate in those activities on the evening of Friday, December 6<sup>th</sup> through December 9<sup>th</sup> of 2013. While Ray was in Los Angeles on these dates, he did not assist with or participate in any client activities until Monday, December 9, 2013.

On December 6, 7 and 8, 2013, Ray incurred \$688.10 in personal meal and drink expenses on the Firm credit card. In December 2013 and again in January 2014, Ray

submitted five receipts, totaling \$688.10, for these expenses misrepresenting that they were for client meals and entertainment. Ray wrote client names on the back of the restaurant receipts indicating he had entertained those clients at meals or events. In fact, there were no clients at any of these meals or events. Instead, Ray used the Firm's credit card to pay for meals at which he dined by himself or with his personal friends.

Although Ray knew that his personal meal and drink expenses were not reimbursable under Firm policy, he converted the funds of his member firm employer by misrepresenting the nature of those expenses to improperly obtain reimbursement from the Firm in violation of FINRA Rule 2010.

- B. Ray also consents to the imposition of a permanent bar from associating with any FINRA regulated broker-dealer in any capacity.

Ray 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, Ray 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

Ray 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, Ray specifically and voluntarily waives any right to claim bias or prejudice 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.

Ray 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**

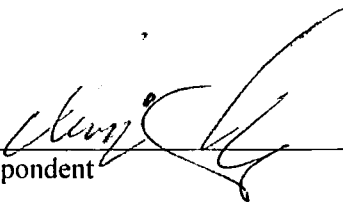
Ray understands that:

- 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. Ray 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. Ray 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 Ray'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.

Ray 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.

09/16/2014  
Date (mm/dd/yyyy)

  
Respondent

Accepted by FINRA:

9/24/14  
Date (mm/dd/yyyy)

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

  
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