

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014041331401**

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

RE: Dennis Coral, Respondent
General Securities Representative
CRD No. 4561718

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Dennis Coral ("Coral"), 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

Coral entered the securities industry in June 2002, when he became associated with a FINRA-regulated broker-dealer as a General Securities Representative ("GSR"). In March 2003, Coral became associated with Morgan Stanley (the "Firm"), a FINRA-regulated broker-dealer, as a GSR and Investment Advisor ("IA") at its Aventura, Florida branch office.

Coral holds the following securities licenses: Series 7 (September 2002); Series 63 (November 2002); Series 65 (May 2003; and Series 31 (June 2003).

In a Uniform Termination Notice for Securities Industry Registration ("Form U5") dated April 29, 2014, Morgan Stanley reported the voluntary termination of Coral's association with the Firm on April 22, 2014. In an Amended Form U5 dated May 21, 2014, Morgan Stanley reported that, at the time of his resignation, Coral was the subject of an internal review "involving Mr. Coral's depositing of funds into a client's firm account."

On May 29, 2014, Coral became associated with another FINRA-registered broker-dealer, as a GSR and IA. Given his continuing employment with a FINRA-regulated broker-dealer, Coral remains subject to FINRA's jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Coral has no prior disciplinary history in the securities industry.

OVERVIEW

On February 13 and March 10, 2014 (the "Relevant Period"), while associated with Morgan Stanley, Coral deposited two checks drawn on his personal bank account in the amounts of \$24,715 and \$10,220, respectively, into the account of Firm customer SC. Coral deposited the checks in SC's account, without the Firm's prior knowledge or approval, to reimburse SC for losses totaling approximately \$34,934 sustained in connection with SC's purchases of certain bonds that Coral recommended.

By depositing \$34,935 of his personal funds into SC's account, Coral shared in losses sustained by his Firm customer, in violation of FINRA Rules 2150(c) and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2150(c) prohibits registered representatives from sharing in the profits or losses in a customer's account unless the following three requirements are met: (i) the registered representative receives prior written permission from his or her member firm employer; (ii) the registered representative obtains prior written permission from the customer; and (iii) the registered representative shares in the profits and/or losses in direct proportion to the financial contributions the registered representative made to the account.

FINRA Rule 2010 requires members and associated persons to observe high standards of commercial honor and just and equitable principles of trade. A violation of FINRA Rule 2150 is also a violation of FINRA Rule 2010.

A. Firm Policies and Procedures

During the Relevant Period, the Firm's written supervisory procedures ("WSPs") prohibited its registered representatives from entering into financial relationships with clients of the Firm. Prohibited financial relationships included, among other things, the registered representative depositing his or her own funds or securities into clients' accounts, participating or sharing directly or indirectly in the profits or losses in any client's account, and guaranteeing a client against losses in his or her account.

B. Coral Deposits Two Checks into his Customer's Firm Account

During the period of February 2010 to April 2013, SC purchased various Puerto Rican bonds in his Firm accounts. On January 27, 2014, Coral sold certain of SC's Puerto Rican bond holdings for losses totaling \$27,713.52. On February 13, 2014, Coral deposited a check in the amount of \$24,715 drawn on Coral's personal bank account into SC's Firm account.

On February 21, 2014, Coral sold additional Puerto Rican bond holdings from SC's account for losses totaling \$10,220.57. On March 10, 2014, Coral again deposited a check in the amount of \$10,220 drawn on Coral's personal bank account into SC's Firm account.

During the course of the Firm's review of the deposits into SC's Firm accounts, SC informed the Firm that Coral deposited the checks to cover the losses SC incurred in connection with his Puerto Rican bond holdings.

By reimbursing SC, his Firm customer, for \$34,935 in realized losses in his account, without the Firm's prior knowledge or approval and without having previously contributed to the account, Coral violated FINRA Rules 2150(c) and 2010.

- B. I also consent to the imposition of the following sanctions:
- a. A fifteen business day suspension from association with any FINRA member in any capacity.

Respondent has submitted a sworn financial statement and demonstrated an inability to pay. In light of the financial status of the Respondent, no monetary sanctions have been imposed.

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.

1/23/17

Date (mm/dd/yyyy)

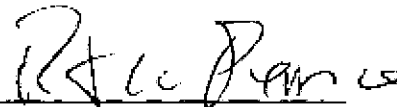


Dennis Coral, Respondent

Reviewed by:

1/23/2017

Date (mm/dd/yyyy)



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Accepted by FINRA:

1/24/17

Date (mm/dd/yyyy)

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



Richard Chin
Chief Counsel
FINRA Department of Enforcement
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