

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015044025401**

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

RE: Francisco Javier Sumavielle, Respondent
General Securities Representative
CRD No. 2241819

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

Francisco Javier Sumavielle ("Sumavielle") entered the securities industry in May 1992 when he became associated with a FINRA member firm. Sumavielle holds FINRA Series 3, 7, 63, and 79 licenses. He was last associated with Murex Capital, LLC, and was registered with the firm from September 17, 2012, through October 13, 2014. Sumavielle is not currently associated with a member firm but is subject to FINRA jurisdiction until October 12, 2016, pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Sumavielle has no relevant disciplinary history.

OVERVIEW

From October 7, 2013 through February 7, 2014, while associated with Murex Capital, LLC ("Murex"), Sumavielle borrowed a total of nearly \$130,000 from two of his Murex customers. During this time period, Murex's written supervisory procedures permitted borrowing from certain customers, but required that a registered person notify the firm of the proposed lending arrangement and that the firm pre-approve the lending arrangement in writing. Sumavielle failed to obtain pre-approval for these loans. Based on the foregoing conduct, Sumavielle violated FINRA Rules 3240 and 2010.

Sumavielle willfully failed to timely amend his Form U4 to disclose a civil judgment in the amount of \$34,761 filed against him on August 8, 2014. Based on the foregoing conduct Sumavielle violated Article V, Section 2 of FINRA's By-Laws and FINRA Rules 1122 and 2010.

FACTS AND VIOLATIVE CONDUCT

Sumavielle Borrowed Money from Customers Without Written Pre-Approval from Murex.

FINRA Rule 3240(a) prohibits a registered representative from borrowing money from or lending money to any customer of that registered representative unless the borrowing arrangement meets one of the conditions specified under the rule and is permitted by the employing member firm's written policies and procedures. In addition, Rule 3240(b)(1) requires a registered representative to notify and seek pre-approval of any such loan and any modifications to a loan unless the loan meets certain conditions specified in 3240(a). A violation of FINRA Rule 3240 is also a violation of FINRA Rule 2010, which requires registered persons to adhere to just and equitable principles of trade.

On September 17, 2012, at the time he began his association with Murex; Sumavielle signed a Registered Representative Agreement whereby he acknowledged and agreed to comply with various policies, procedures and regulatory requirements, and specifically affirmed that he would "not borrow money or securities from a client."

Murex's written supervisory procedures ("WSPs") in effect during the relevant time period permitted its associated persons to borrow from customers in accordance with the provisions of FINRA Rule 3240. The WSPs explicitly provided that an associated person was required to complete a "RR/Customer Lending Arrangement Request Form" and submit it to the firm's compliance department before any loan was made. The WSPs also provided that any proposed lending arrangement between an associated person and a customer (except for those with an immediate family member or financial institution in the business of providing credit, financing, or loans) must be reviewed and approved by the firm's compliance department prior to the loan being made.

On October 7, 2013, Sumavielle received a personal loan in the amount of \$30,000 from Murex customer, Person A. Sumavielle was the representative of record for Person A's Murex account. Sumavielle did not disclose this loan to anyone at Murex prior to accepting the loan or at any time thereafter.

On February 7, 2014, Sumavielle received a personal loan in the amount of \$99,912 from Person B through an entity owned by Person B that had a Murex account for which Sumavielle was the representative of record. Sumavielle did not disclose this loan to anyone at Murex prior to accepting the loan or at any time thereafter.

These loans did not meet any of the exceptions found in FINRA Rule 3240 or the exceptions in Murex's WSPs; accordingly, Sumavielle was required to notify Murex of the proposed loans and obtain pre-approval from Murex prior to entering into the borrowing arrangements. Sumavielle failed to do so and, thereby, violated FINRA Rules 3240 and 2010.

Sumavielle Willfully Failed to Timely Amend His Form U4 to Disclose an Unsatisfied Judgment Entered Against Him

Article V, Section 2(c) of FINRA's By-Laws provides that every application for registration filed with FINRA shall be kept current at all times by supplementary amendments, which must be filed within thirty days after learning of the facts or circumstances giving rise to the amendment. Since at least 2010, Disclosure Question 14M of Form U4 has read: "Do you have any unsatisfied judgments or liens against you?"

FINRA Rule 1122 provides that: "No member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

On November 28, 2012, Sumavielle entered into a civil settlement agreement regarding a matter unrelated to his work in the securities industry. As a condition of the settlement agreement, Sumavielle signed a confession of judgment to be put in escrow. In April 2014, the confession of judgment was filed, alleging a failure to make payments according to the agreement. On August 8, 2014, a New York court entered the requested judgment in the amount of \$34,761. To date, that judgment remains outstanding. Although Sumavielle knew or should have known of the judgment, he willfully failed to timely amend his Form U4 within 30 days after learning of the judgment.

Based on the foregoing conduct Sumavielle violated Article V, Section 2 of FINRA's By-Laws and FINRA Rules 1122 and 2010.

B. I also consent to the imposition of the following sanctions:

- A fine of \$12,500; and,
- A seven month suspension from associating with a FINRA member firm in any capacity.

The fine shall be due and payable either immediately upon reassociation with a member firm following the seven month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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).

I understand that this settlement includes a finding that I willfully omitted to state a material fact on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes me subject to a statutory disqualification with respect to association with a member.

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

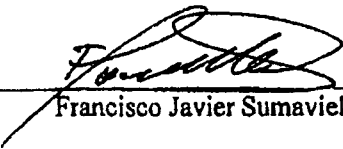
inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- 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.

05/18/2016

Date (mm/dd/yyyy)


Francisco Javier Sumavielle, Respondent

Reviewed by:

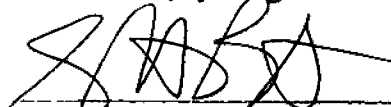


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Accepted by FINRA:

5-24-2016
Date

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



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