

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015044792802**

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

RE: Diego Jimenez, Respondent
Former Investment Company and Variable Contracts Representative
CRD No. 4557717

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

Diego Jimenez first entered the securities industry in 2002 when he associated with PFS Investments ("PFSI"). He was registered with FINRA through PFSI as an Investment Company and Variable Products Representative from June 2004 until he voluntarily terminated his registration on December 31, 2010, but he remained associated with PFSI. In October 2013, PFSI filed a Form U4 to register Jimenez with FINRA as an Investment Company and Variable Products Representative which registration became effective in January 2015. PFSI filed a Form U5 on March 17, 2015, terminating his registration.

Jimenez is not currently associated with any FINRA member firm or registered with FINRA but is subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws. Jimenez has no disciplinary history.

OVERVIEW

Between January 2011 and December 2014, Jimenez engaged in securities activities without being registered with FINRA, in violation of NASD Rule 1031 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

NASD Rule 1031 requires all persons engaged or to be engaged in the securities business of a member to be registered in the "category of registration to the function to be performed." Activities that require registration include soliciting prospective customers, providing investment advice, recommending the purchase or sale of securities and accepting or executing trades for the purchase of securities. A violation of NASD Rule 1031 also constitutes a violation of FINRA Rule 2010.

Diego Jimenez associated with PFSI in 2002, and he registered as an Investment Company and Variable Products Representative through PFSI in June 2004. In December 2010, Jimenez voluntarily terminated his registration with PFSI, but he remained associated with PFSI and participated in various securities activities that supported his father's securities business at the firm. As part of this work, from January 2011 through December 2014 while he was not registered, Jimenez solicited prospective mutual fund customers, made more than 100 mutual fund presentations, discussed mutual fund investments with prospective customers, and recommended the purchase of mutual funds resulting in total sales of more than \$800,000 in approximately 35 mutual fund accounts. Jimenez also assisted customers with the completion of documents necessary to purchase mutual funds and entered customer and trade information electronically into the firm's computer system. These activities required registration.

By engaging in the foregoing securities activities while he was not registered, Jimenez violated NASD Conduct Rule 1031 and FINRA Rule 2010.

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

- Two-month suspension from association with a FINRA member in all capacities; and
- \$5,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm, 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).

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 understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; 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.

3/3/17
Date (mm/dd/yyyy)

XQ
Diego Jimenez
Respondent

Accepted by FINRA:

3/15/2017
Date

Signed on behalf of the
Director of ODA by delegated authority

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