

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,
Complainant,

v.

Farid Morim (CRD No. 5023477),
Respondent.

DISCIPLINARY PROCEEDING
NO. 2015047528202

HEARING OFFICER:

COMPLAINT

The Department of Enforcement (“Enforcement”) alleges:

SUMMARY

1. In 2016, Enforcement opened an investigation into Farid Morim’s (“Morim” or “Respondent”) potential conversion of customer assets and undisclosed outside business activities. In connection with its investigation, on July 15, 2016, August 12, 2016, and August 24, 2016, Enforcement requested that Morim provide certain documents and information pursuant to FINRA Rule 8210. Morim did not timely respond to Enforcement’s Rule 8210 requests, and only responded on October 20, 2016, when he was served with notice that he had been suspended from association with any FINRA member pursuant to FINRA Rule 9552. As of October 20, 2016, Morim’s response to Enforcement’s requests for documents and information was 76 days late. By failing to timely respond to Enforcement’s requests for documents and information, Morim violated FINRA Rules 8210 and 2010.

2. On April 3, 2017 and May 4, 2017, Enforcement requested that Morim provide additional documents and information pursuant to FINRA Rule 8210. To date, Morim has failed to comply with these requests. Morim’s failure to cooperate with Enforcement’s investigation

and provide the requested documents and information constitutes a separate and distinct violation of FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

3. Morim entered the securities industry in September 2005 and has been associated with five FINRA-regulated broker-dealers, including J.P. Morgan Securities, LLC. (“JP Morgan” or the “Firm”), during his approximately 12 years in the securities industry. Morim obtained his Series 7 (General Securities Representative or “GSR”) and Series 66 (NASAA Uniform Combined State Law Examination or “RA”) securities licenses in November and December 2007, respectively.

4. From October 2012 to September 29, 2015, Morim was associated with JP Morgan as a GSR and investment advisor. In a Uniform Termination Notice of Securities Registration (“Form U5”), dated October 28, 2015, JP Morgan reported the termination of Morim’s employment for violations of firm policy based on Morim’s having “added himself as power of attorney on a client’s bank accounts.” In an amended Form U5 dated September 30, 2016, JP Morgan reported that it was investigating allegations that Morim converted funds from the affiliated bank and brokerage accounts of another Firm customer.

5. Morim has not been associated with any FINRA-regulated broker-dealer since JP Morgan terminated his employment.

6. Although Morim is no longer registered or associated with a FINRA member firm, he remains subject to FINRA’s jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA’s By-Laws, because (i) the Complaint was filed within two years after the effective date of termination of Morim’s registration with JP Morgan, namely, October 28, 2015; and (ii) the Complaint charges Morim with failing to respond to requests for information during

the two-year period after the date upon which he ceased to be registered or associated with a FINRA-regulated broker-dealer.

FIRST CAUSE OF ACTION
Failure to Timely Respond
Violation of FINRA Rules 8210 and 2010

7. Enforcement realleges and incorporates by reference Paragraphs 1 through 6 above.

8. FINRA Rule 8210(a) requires a “person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically ... with respect to any matter involved in [an] investigation....” FINRA Rule 8210(c) similarly provides that “[n]o member or person shall fail to provide information or testimony ... pursuant to this Rule.”

9. FINRA Rule 2010 states that “[a] member, in the conduct of [his] business, shall observe high standards of commercial honor and just and equitable principles of trade.” A failure to comply with a request for information pursuant to FINRA Rule 8210 is also a violation of FINRA Rule 2010.

10. On July 15, 2016, Enforcement sent a request for documents and information pursuant to FINRA Rule 8210 to counsel of record for Morim. Morim was required to respond by August 5, 2016, but failed to do so.

11. On August 5, 2016, counsel for Morim informed Enforcement that he no longer represented Respondent and that Enforcement should send all future correspondence directly to Morim. Counsel also provided Enforcement with a second address for Morim.

12. On August 12, 2016, Enforcement sent Morim a second letter pursuant to FINRA Rule 8210 requiring the production of the documents and information identified in the July 15, 2016 Rule 8210 request. The August 12, 2016 Rule 8210 request was sent to Respondent’s CRD

address and the alternate address provided by Respondent's former counsel by first class mail and certified mail, return receipt requested.

13. The August 12, 2016 Rule 8210 request sent by certified mail to Morim's CRD address was delivered and signed for by "Feteshteh Morim". The August 12, 2016 Rule 8210 request sent by first class mail to Morim's CRD address was not returned to Enforcement. The August 12, 2016 Rule 8210 requests sent to Morim's alternate (non-CRD) address by first class mail and certified mail, return receipt requested, were not returned to FINRA.

14. Morim was required to respond and produce the requested documents and information by August 23, 2016. Again, Morim did not respond or provide the requested information and documents.

15. On August 24, 2016, Enforcement sent Morim a third letter pursuant to FINRA Rule 8210 again seeking the documents and information identified in the July 15, 2016 and August 12, 2016 Rule 8210 requests. The August 24, 2016 Rule 8210 request was sent to Respondent's CRD address and the alternate address provided by Respondent's former counsel by first class mail and certified mail, return receipt requested.

16. The August 24, 2016 Rule 8210 request sent to Respondent's alternate (non-CRD) address by certified mail was delivered on August 31, 2016 and signed for by Morim. The August 24, 2016 Rule 8210 requests sent by certified mail and first class mail to Morim's CRD address, and by first class mail to Morim's alternate (non-CRD) address were not returned to Enforcement.

17. Morim was required to respond and produce the documents and information requested by September 6, 2016. Morim again failed to respond.

18. On September 26, 2016, FINRA sent Morim a Notice of Suspension, informing him that he would be suspended from association with any FINRA member on October 20, 2016 if he failed to respond to Enforcement's Rule 8210 requests for documents and information. The Notice of Suspension was sent to Respondent's CRD address and the alternate address provided by Respondent's former counsel by first class mail and certified mail, return receipt requested.

19. On October 20, 2016, FINRA served Morim with a Notice of Suspension informing him that he had been suspended from association with any FINRA member pursuant to FINRA Rule 9552. The notice was sent to Morim's CRD address and the alternate address provided by Respondent's former counsel via first class mail and certified mail, return receipt requested.

20. Later that same day, after the close of business, via e-mail sent from [REDACTED], Morim responded to Enforcement's requests for information. As of October 20, 2016, Morim's response was 76 days late.

21. By failing to timely respond to FINRA's written requests for information and documents, Morim violated FINRA Rules 8210 and 2010.

SECOND CAUSE OF ACTION
Failure to Respond
Violation of FINRA Rules 8210 and 2010

22. Enforcement realleges and incorporates by reference Paragraphs 1 through 21 above.

23. On March 21, 2017, Morim appeared and provided on-the-record testimony ("OTR") pursuant to FINRA Rule 8210. During his OTR, Morim referred to documents he brought with him and testified that the documents were pertinent to Enforcement's investigation but had not been provided to Enforcement. Morim did not provide a copy of the records at that time. Accordingly, while on-the-record, Enforcement requested that Morim produce the documents

pursuant to FINRA Rule 8210 by March 31, 2017, and Morim agreed to do so. However, Morim did not produce the documents as requested.

24. Accordingly, on April 3, 2017, Enforcement sent Morim a letter pursuant to FINRA Rule 8210, requesting the production of the documents he brought to his March 21, 2017 OTR. The April 3, 2017 Rule 8210 request was sent to Morim's CRD address, the alternate address provided by Respondent's former counsel by first class mail, and to Morim by e-mail at [REDACTED].

25. The April 3, 2017 Rule 8210 request sent to Morim's CRD address was not returned to Enforcement. The April 3, 2017 Rule 8210 request sent by first class mail to Morim's alternate (non-CRD) address was returned to Enforcement marked Return to Sender – Not Deliverable As Addressed – Unable To Forward. The April 3, 2017 Rule 8210 request sent by e-mail to [REDACTED] was not returned to Enforcement as undeliverable.

26. Morim was required to respond and provide the requested documents by April 7, 2017; however, Morim failed to respond.

27. On May 4, 2017, Enforcement sent Morim a second letter pursuant to FINRA Rule 8210, again requesting the production of the documents he brought to his OTR. The May 4, 2017 Rule 8210 request was sent to Respondent's CRD address, the alternate address provided by Respondent's former counsel and a third address Morim provided during his OTR by first class mail and certified mail, return receipt requested. The May 4, 2017 Rule 8210 request was also sent to Morim via e-mail at [REDACTED].

28. The May 4, 2017 Rule 8210 request sent to Morim's CRD address by first class mail was not returned to Enforcement. The May 4, 2017 Rule 8210 request sent to Respondent's alternate (non-CRD) address by certified mail was delivered on May 10, 2017; the signature on

the return receipt is illegible. The May 4, 2017 Rule 8210 request sent by first class mail to Morim's alternate (non-CRD) address was returned to Enforcement marked Return to Sender – Not Deliverable As Addressed – Unable To Forward. The May 4, 2017 Rule 8210 requests sent to the third address Morim provided during his OTR by certified mail and first class mail, and its return receipt, were not returned to Enforcement. The May 4, 2017 Rule 8210 request sent to Respondent by e-mail at [REDACTED] was not returned to Enforcement as undeliverable.

29. Morim was required to respond by May 12, 2017. To date, Morim has not provided the requested documents.

30. By refusing to produce documents and information repeatedly requested by Enforcement pursuant to FINRA Rule 8210, Morim violated FINRA Rules 8210 and 2010.

RELIEF REQUESTED

WHEREFORE, Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Morim committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- C. order that Morim bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: _____

9/29/17



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