

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018058481501**

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

RE: Bruno H. Silva, Respondent
General Securities Representative
CRD No. 6820531

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Bruno H. Silva 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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

Silva first became registered with FINRA as a General Securities Representative (GS) in July 2017. In December 2017, Silva registered as a GS with Worden Capital Management LLC (BD. No. 148366) ("Worden" or the "Firm"). On May 7, 2018, Worden filed a Uniform Termination Notice for Securities Industry Registration (Form U5) disclosing that Silva was permitted to resign and that Silva was "part of an investigation of registration related issues with another broker." Silva is not currently registered with FINRA, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

Silva does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

From December 2017 through April 2018, Silva permitted another Worden registered

representative to use Silva's representative code to open accounts and effect securities transactions in at least nine customers' accounts in states where the other registered representative was not registered. Silva thus caused Worden to maintain inaccurate books and records in violation of FINRA Rules 4511 and 2010.

Also, in February 2018, Silva made three cash withdrawals totaling \$22,500 from his personal bank account on the same day. Silva structured the withdrawals in amounts at or below \$10,000 to avoid the filing of Currency Transaction Reports ("CTR") in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Causing Inaccurate Books and Records

FINRA Rule 4511(a) requires member firms to "make and preserve books and records as required under the FINRA rules, the [Securities] Exchange Act [of 1934 (the "Exchange Act")] and the applicable Exchange Act rules." Exchange Act Rule 17a-3 requires member firms to make and keep current certain books and records relating to their business, including memoranda of each brokerage order. Inherent in this recordkeeping requirement is the obligation to maintain accurate records. FINRA Rule 2010 requires member firms and their associated persons to "observe high standards of commercial honor and just and equitable principles of trade." By causing a member firm to maintain inaccurate books and records, a registered representative violates FINRA Rule 4511 and FINRA Rule 2010.

From December 2017 through April 2018, Silva permitted another Worden registered representative, Yousuf Saljooki (CRD No. 5045123) ("Saljooki"),¹ to use Silva's representative code to open accounts and effect securities transactions in at least nine customers' accounts in states where Silva was licensed, but where Saljooki was not. Silva thus caused Worden to maintain inaccurate books and records required under the Exchange Act.

By virtue of the foregoing, Silva violated FINRA Rules 4511 and 2010.

Structuring

The Bank Secrecy Act ("BSA"), 31 U.S.C. §5311 et seq., requires financial institutions to file reports of transactions in currency exceeding \$10,000 in accordance with regulations established by the Secretary of the Treasury. In turn, 31 C.F.R. 1010.311 requires that financial institutions file a CTR for currency transactions in excess of \$10,000.

Section 5324(a) of the BSA provides that no person shall, for the purpose of evading federal reporting requirements, (1) cause or attempt to cause a domestic financial institution to fail to file a required transaction report, (2) cause or attempt to cause a domestic financial institution to file a required transaction report containing a material

¹ See *Matter of Yousuf Saljooki*, Matter No. 2018057626102 (AWC, July 29, 2019).

omission or misstatement of fact, or (3) structure or assist in structuring any transaction with one or more domestic financial institutions, or attempt to do so.

Structuring is defined as acting alone or in conjunction with, or on behalf of, other persons to conduct or attempt to conduct one or more transactions in currency, in any amount, at one or more financial institutions, on one or more days, in any manner, for the purpose of evading reporting requirements under the regulations. 31 C.F.R. 1010.100(xx) clarifies that "in any manner" includes the breaking down of a single sum of currency exceeding \$10,000 into smaller sums at or below \$10,000 or the conduct of a series of currency transactions at or below \$10,000.

On February 15, 2018, Silva intentionally structured cash withdrawals totaling \$22,500 by making three separate withdrawals from three different bank branches of the same bank to prevent the filing of CTRs. Silva had knowledge of CTR requirements from training he received as a registered representative in December 2017 related to the BSA and CTR requirements. By structuring withdrawals from his personal bank account to evade CTR filings, Silva failed to observe high standards of commercial honor and just and equitable principals of trade.

By virtue of the foregoing, Silva violated FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a 16-month suspension in all capacities from any FINRA member firm; and
- a \$15,000 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.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

Respondent 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, he 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

Respondent 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, Respondent specifically and voluntarily waives 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.

Respondent 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

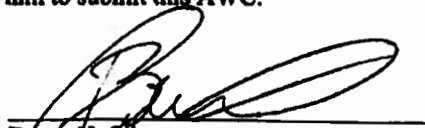
Respondent understands that:

- 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 Respondent; and
- C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 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. Respondent 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. Respondent 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 Respondent'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.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent 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; Respondent understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA or FINRA staff members for legal advice. Respondent has agreed to the AWC's provisions voluntarily; and 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 this AWC.

12/19/2019
Date


Bruno H. Silva
Respondent

Accepted by FINRA:

12/30/2014
Date

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



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