

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
No. 2018059983001**

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

RE: Hector Ramos, Respondent
Former Registered Representative
CRD No. 4172477

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Hector Ramos 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

Ramos first became registered as a General Securities Representative ("GSR") in June 2000. Ramos maintained his registration through several FINRA member firms between 2000 and 2014. From September 2014 through February 2016, Ramos was registered as a GSR through his association with FINRA former member firm Bishop, Rosen & Co., Inc. (BD No. 1248) (the "Firm"). From February 2016 through August 2018, Ramos was registered as a GSR through his association with Westpark Capital, Inc. (BD No. 39914) ("Westpark"). From August 2018 through November 21, 2019, Ramos was registered through another FINRA member firm as a GSR and a General Securities Principal.

Although Ramos is not currently associated with a FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4(a) of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

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

OVERVIEW

During the period February 2015 to March 2016 (the "Relevant Period"), Ramos made unsuitable recommendations to AV, an unemployed, disabled customer with limited investment experience, to concentrate her investments almost entirely in a handful of speculative energy sector securities, in violation of FINRA Rules 2111 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2111 requires that "an associated person must have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer's investment profile." FINRA Rule 2111 provides that a "customer's investment profile includes, but is not limited to, the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the customer may disclose to the member or associated person in connection with such recommendation."

A recommendation may be unsuitable if it results in an undue concentration in a particular security or category of securities and the correspondent increased risk of loss is inconsistent with the customer's investment profile.

By recommending unsuitable transactions, a registered representative acts inconsistently with high standards of commercial honor and just and equitable principals of trade, and thereby also violates FINRA Rule 2010.

AV opened an account with the Firm in October 2014, with Ramos as her broker. At the time, AV was disabled, unemployed, living on a fixed income, and had limited investment experience. Most of AV's net worth derived from an award she had received in a medical malpractice suit and was invested in her account at the Firm.

At the end of January 2015, AV's account was valued at approximately \$114,000, which represented approximately 75% of her net worth. Starting in February 2015, Ramos recommended that AV invest primarily in four energy sector securities. Despite the volatility of the energy market, the volatility of the specific securities, and AV's investment profile, Ramos repeatedly recommended that AV increase her positions in energy sector securities, including two additional energy sector securities, throughout the Relevant Period. Further, Ramos recommended that AV increase her investment in one coal company, even after that company issued a profit warning and its stock price dropped more than 22% in one day. By September 2015, approximately 99% of AV's account value was invested in four energy sector securities, with over 50% of AV's account invested in the coal company discussed above.

On March 9, 2016, AV's account at the Firm was closed and her balance transferred to

Westpark with Ramos as her broker. As of March 2016, more than 96% of AV's account value was invested in energy sector securities, and more than 80% was invested in the one coal company. AV realized losses totaling \$86,891.

By virtue of the foregoing, Ramos violated FINRA Rules 2111 and 2010.

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

- A three month suspension from association with any FINRA member in any capacity;
- Partial restitution to AV in the total amount of \$50,000, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2); and
- The requirement that within 60 days of my reassociation with any FINRA member firm, Ramos will undertake to attend and satisfactorily complete 10 hours of continuing education concerning suitability by a provider not unacceptable to FINRA. Within 30 days following completion of such training, Ramos will submit written proof that the continuing education program has been satisfactorily completed. Such proof shall be submitted by letter to FINRA's Department of Enforcement, Attention: Josephine Vella, Counsel, 200 Liberty Street, 11th Floor, New York, NY 10281. All correspondence must identify the Respondent and Matter No. 2018059983001.

Respondent has submitted a sworn financial statement and demonstrated a limited ability to pay. In light of the financial status of Respondent, the sanctions do not include a monetary fine.

Respondent's limited ability to pay has been considered in connection with the monetary sanction imposed in this matter. 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.

Restitution is ordered to be paid to AV in the total amount of \$50,000, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from February 9, 2015, until the date of payment. Restitution amounts ordered, pursuant to this disciplinary action, are due and payable 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. The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies. If for any reason Respondent cannot locate AV after reasonable and documented efforts, within such period, or such additional period, as agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund

for the state in which the customer is last known to have resided.

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.

Respondent certifies that he has read and understand 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.

6/1/2020

Date

M. Ramos

Hector Ramos
Respondent

Accepted by FINRA:

6/1/2020

Date

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

Josephine Vella

Josephine M. Vella

Counsel

FINRA

Department of Enforcement

200 Liberty Street, 11th Floor

New York, NY 10281

Attachment A
AWC No. 2018059983001

Customer	Date of Payment	Amount of Restitution (Interest To Be Added)
AV	Upon reassociation	\$50,000