

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2019063663401**

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

RE: Robert Renteria, Respondent
Former Investment Company and Variable Contracts Products Representative
CRD No. 5773053

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Robert Renteria ("Respondent") 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

Respondent first became registered with FINRA as an Investment Company and Variable Contracts Products Representative ("IR") in January 2013, through an association with PFS Investments Inc. (CRD No. 10111) (the "Firm"). On August 20, 2019, the Firm filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") stating that it had terminated Respondent, effective August 13, 2019, after he "admitted to ... [borrowing] \$1,600" from a Firm customer. On October 15, 2019, the Firm filed a Form U5 Amendment stating that a second customer had come forward and alleged that she lent Respondent \$6,000, which was "not repaid[.]" Respondent is not currently associated with a FINRA member, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 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

Between February 2018 and July 2019 (the “Relevant Period”), Respondent borrowed a total of approximately \$7,500 from two Firm customers without the Firm’s prior knowledge or approval, in violation of FINRA Rules 3240 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3240(a) states, in relevant part: “No person associated with a member in any registered capacity may borrow money from or lend money to any customer of such person unless: (1) the member has written procedures allowing the borrowing and lending of money between such registered persons and customers of the member; (2) the borrowing or lending arrangement meets ... [certain] conditions...; and (3) the requirements of [Rule 3240(b)] ... are satisfied.” FINRA Rule 3240(b) states, in relevant part, that a “registered person shall notify the member of the borrowing or lending arrangements ... prior to entering into such arrangements and the member shall pre-approve in writing such arrangements.”

Conduct that violates Rule 3240 also violates FINRA Rule 2010, which requires representatives of FINRA member firms to “observe high standards of commercial honor and just and equitable principles of trade.”

In February 2018, Respondent borrowed approximately \$1,500 from Firm Customer 1. The Firm’s written procedures throughout the Relevant Period prohibited employees from entering into borrowing or lending arrangements with customers. Respondent did not notify the Firm that he had borrowed money from Firm Customer 1 or obtain approval to do so. In addition, on December 7, 2018 and May 18, 2019, Respondent falsely certified on the Firm’s annual compliance questionnaires that he had not borrowed money from any Firm customer.

During March 2019, the Firm detected that Respondent was using funds from his own bank account to purchase securities for Firm Customer 1, and commenced an investigation. In response to Firm inquiries, Renteria then informed the Firm on May 24, 2019 that he had borrowed money from Firm Customer 1 and that he was purchasing securities for her to repay the loan.

Subsequently, in July 2019, Respondent borrowed approximately \$6,000 from Firm Customer 2. Respondent did not notify the Firm that he had borrowed money from Firm Customer 2 or obtain approval to do so.

Respondent repaid the loan from Firm Customer 1 in full. To date, Respondent has not repaid any portion of the loan from Firm Customer 2.

By virtue of the foregoing, Respondent violated FINRA Rules 3240 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;
- A \$5,000 fine; and
- Restitution is ordered to be paid to the customer listed on Attachment A hereto in the total amount of \$6,000, 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 July 21, 2019, until the date this AWC is accepted by the National Adjudicatory Council ("NAC").

Respondent shall submit satisfactory proof of payment of restitution and pre-judgment interest or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted by email to EnforcementNotice@FINRA.org. The email must identify the Respondent and the case number and include a copy of the check, money order or other method of payment. This proof shall be provided by email to EnforcementNotice@FINRA.org no later than 120 days after acceptance of the AWC.

If for any reason Respondent cannot locate the customer listed on Attachment A hereto after reasonable and documented efforts within 120 days from the date the AWC is accepted, or such additional period agreed to by a FINRA staff member in writing, 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 listed on Attachment A hereto is last known to have resided. Respondent shall provide satisfactory proof of such action to the FINRA staff member identified above and in the manner described above, within 14 calendar days of forwarding the undistributed restitution and interest to the appropriate state authority.

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

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.

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 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 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 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.

11-18-2019
Date



Robert Renteria, Respondent

Accepted by FINRA:

12/4/19
Date

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



Robert Fair
Principal Counsel
FINRA
Department of Enforcement
200 Liberty Street, 11th floor
New York, NY 10281-1003

PUBLIC VERSION

Attachment A

Customer	Restitution Amount	Interest Date
Firm Customer 2	\$6,000	July 21, 2019