

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020068745101**

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

RE: Jolam Mendez (Respondent)
CRD No. 7194083

Pursuant to FINRA Rule 9216, Respondent Jolam Mendez 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 in this AWC.

**I.
ACCEPTANCE AND CONSENT**

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Mendez entered the securities industry in October 2019 as a non-registered fingerprint person (NRF) with FINRA member firm Merrill Lynch, Pierce, Fenner & Smith Inc. (CRD No. 7691) (Merrill Lynch). As an NRF, Mendez referred customers to specialists and identified client needs for both individuals and small business customers. In January 2020, Mendez passed the SIE licensing exam; however, Mendez failed the Series 7 examination in February and March 2020.

In June 2020, while still associated with Merrill Lynch as an NRF, Mendez became associated with another FINRA member firm as an NRF.

In a Form U5 dated November 24, 2020, Merrill Lynch reported Mendez's discharge for his "failure to provide accurate information on timesheets and registered [sic] with another firm." In a Form U5 dated December 1, 2020, the other FINRA member firm reported Mendez's voluntary termination.

Mendez is not currently registered with FINRA or associated with a FINRA member firm. However, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.¹

¹ For more information about the respondent, visit BrokerCheck® at www.finra.org/brokercheck.

OVERVIEW

Between May and October 2020, while associated with Merrill Lynch, Mendez converted firm funds when he falsely claimed and received over \$34,000 in overtime compensation for work he did not perform. Therefore, Mendez violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's review of the November 2020 Form U5 filed by Merrill Lynch.

FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Conversion is an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it. Conversion is a violation of Rule 2010.

In February and March 2020, Mendez took and failed the Series 7 examination. Thereafter, Merrill Lynch directed Mendez to process COVID-19 federal relief program loan applications for Merrill Lynch's bank affiliate, Bank of America.

Between May 2020 and October 2020, Mendez submitted timesheets falsely claiming that he worked more than 620 hours of overtime processing loan applications for Merrill Lynch's bank affiliate. As a result, Merrill Lynch paid Mendez approximately \$34,600 in overtime compensation. By submitting false timesheets and receiving compensation to which he was not entitled, Mendez converted approximately \$34,600.

Therefore, Mendez violated FINRA Rule 2010.

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

- a bar from associating with any FINRA member in all capacities.

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 in this AWC shall be effective on a date set by FINRA. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 its acceptance or rejection.

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:

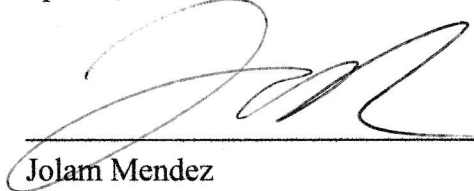
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not 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 its subject matter 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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

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 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 in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

7/30/2022

Date


Jolam Mendez
Respondent

Accepted by FINRA:

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

Date

Andrew Cattell
Principal Counsel
FINRA
Department of Enforcement
200 Liberty Street, Floor 11
New York, NY 10281

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Date

Jolam Mendez
Respondent

Accepted by FINRA:

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

August 9, 2022
Date


Andrew Cattell
Principal Counsel
FINRA
Department of Enforcement
200 Liberty Street, Floor 11
New York, NY 10281