

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021072592201**

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

RE: Steven Kiyoto Hirata (Respondent)
Former Investment Company and Variable Contracts Products Representative
CRD No. 1188927

Pursuant to FINRA Rule 9216, Respondent Steven Hirata 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

Hirata entered the securities industry in August 1983. He became registered as an Investment Company and Variable Contracts Products Representative in January 1984 through his association with PFS Investments Inc. (PFS Investments), a FINRA member.

On September 17, 2021, PFS Investments filed a Uniform Termination Notice for Securities Industry Registration (Form U5) reporting that Hirata had been discharged on September 2, 2021 because “representative had an undisclosed private securities transaction.”

Although Hirata is not currently registered or associated with any FINRA member, he remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4 of FINRA’s By-Laws.¹

OVERVIEW

In May 2022, Respondent violated FINRA Rules 8210 and 2010 by failing to provide information and documents requested pursuant to FINRA Rule 8210 in connection with

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

an investigation into whether he participated in an undisclosed private securities transaction.

FACTS AND VIOLATIVE CONDUCT

This matter originated from the Form U5 filed by the firm as described above.

FINRA Rule 8210 authorizes FINRA, for purposes of an investigation, complaint, examination, or proceeding authorized by the FINRA By-Laws or rules, to require a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically with respect to any matter involved in an investigation, complaint, examination or proceeding. Rule 8210 also specifies that no member or person shall fail to provide information or testimony pursuant to this rule.

FINRA Rule 2010 requires members and registered persons to observe high standards of commercial honor and just and equitable principles of trade. A violation of FINRA Rule 8210 also violates FINRA Rule 2010.

In connection with FINRA's investigation into whether Hirata had participated in an undisclosed private securities transaction, on March 29, 2022, FINRA sent a request to Respondent pursuant to FINRA Rule 8210 for the production of information and documents by April 12, 2022. The 8210 request informed Respondent that if he did not provide the requested information, he could be subject to disciplinary action and the imposition of sanctions, including a bar from the securities industry. At Respondent's request, he received emails granting extensions of time to respond until May 10, 2022. On May 11, 2022, staff held a telephone call with Hirata in which he acknowledged that he had received FINRA's request and stated that he will not produce the information or documents requested. To date, Respondent has not produced any of the documents or information requested by FINRA. Therefore, Respondent violated FINRA Rules 8210 and 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

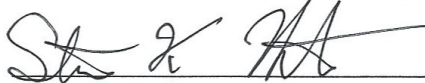
Respondent understands that:

- 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.

5-24-2022
Date


Steven Kiyoto Hirata
Respondent

Accepted by FINRA:

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



May 31, 2022

Date

Carolyn Isaac
Principal Counsel
FINRA
Department of Enforcement
15200 Omega Drive
Rockville, MD 20850