

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2024081567201**

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

RE: Jason Brooks Head (Respondent)
Former General Securities Representative
CRD No. 4920135

Pursuant to FINRA Rule 9216, Respondent Jason Brooks Head (Head) 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

Head entered the securities industry in 2005. From August 2019 to January 2024, Head was registered with FINRA as a General Securities Representative and Investment Company and Variable Contracts Products Representative through an association with Morgan Stanley Smith Barney, LLC (Morgan Stanley), a FINRA member firm. In a Uniform Termination Notice for Securities Industry Registration (Form U5) dated January 10, 2024, Morgan Stanley disclosed that Head voluntarily terminated his employment with the firm on January 5, 2024. On March 13, 2024, Morgan Stanley amended the Form U5 to disclose a customer complaint alleging unauthorized activity related to the customer's liquidity access line of credit account.

Although Head is not currently associated with any FINRA member firm, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.¹

OVERVIEW

Between at least July 2020 through November 2023, while associated with Morgan Stanley, Head converted over \$498,000 from two firm customers for his personal use, violating FINRA Rules 2150(a) and 2010.

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

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's review of the March 13, 2024 amendment to the Form U5 filing.

FINRA Rule 2150(a) provides that no "person associated with a member shall make improper use of a customer's securities or funds." 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 the intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possession of it. An associated person who converts customer funds violates FINRA Rules 2150(a) and 2010.

From July 2020 to November 2023, Head withdrew at least \$231,733 from five brokerage, advisory, and line of credit accounts belonging to a customer of Morgan Stanley, Customer A. Head primarily wired funds from Customer A's accounts to accounts that Head controlled at two other banks and initiated ACH transfers from Customer A's accounts to directly pay certain of Head's expenses. Customer A was not aware that Head was withdrawing the funds and did not authorize the withdrawals.

In addition, from January 2021 to August 2022, Head withdrew at least \$267,000 from a liquidity access line of credit account that a second firm customer held at a Morgan Stanley affiliate and deposited those funds in his accounts at other banks. Customer B was not aware of seven of these withdrawals and did not authorize the withdrawals. In addition, for one other withdrawal, which totaled \$80,000, Head persuaded Customer B to authorize the withdrawal by stating falsely to Customer B that there was an opportunity for Customer B to invest in a company's initial public offering. However, the purported initial public offering did not exist, and Head deposited the funds in his own account.

By virtue of the foregoing, Head engaged in conversion.

Therefore, Head violated FINRA Rules 2150(a) 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 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.

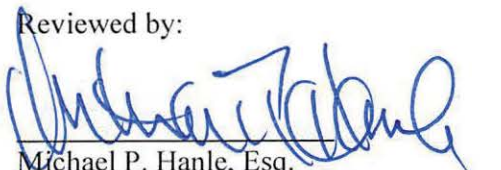
12/15/24

Date



Jason Brooks Head
Respondent

Reviewed by:



Michael P. Hanle, Esq.
Counsel for Respondent
Jaffe, Hanle, Whisonant & Knight, P.C.
2320 Arlington Avenue, South
Birmingham, Alabama 35205

Accepted by FINRA:

1/15/2025

Date

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



Christopher Miles
Counsel
FINRA
Department of Enforcement
200 Liberty Street, Fl. 11
New York, NY 10281