

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017054827701**

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

RE: Lorenzo C. Esteva ("Respondent" or "Esteva")
General Securities Representative
CRD No. 2170595

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I submit 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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

Esteva entered the securities industry in 1991 when he became registered as a Series 7 General Securities Representative ("GSR") with a FINRA regulated broker-dealer. On November 17, 2015, Esteva registered as a GSR with UBS Financial Services Inc. ("UBS" or the "Firm"), another FINRA regulated broker-dealer. On July 6, 2017, UBS filed a Uniform Termination Notice of Securities Industry Registration ("Form U5") on Esteva's behalf, disclosing that Esteva's employment with UBS was terminated on June 6, 2017, because Esteva had admitted to providing a client with documents containing false account information and an investigation had shown that Esteva had improperly journaled money between unrelated client accounts. Although Esteva is not currently associated with a FINRA regulated broker-dealer, pursuant to Article V, Section 4(a) of FINRA's By-Laws, FINRA retains jurisdiction over Esteva.

RELEVANT DISCIPLINARY HISTORY

Esteva has no relevant disciplinary history in the securities industry.

OVERVIEW

After initiating an investigation into Esteva regarding Firm customer complaints that he provided falsified account statements to a customer from 2001 to 2017 and that he improperly journaled funds between accounts of two unrelated customers between at least January and March 2017, FINRA requested, pursuant to FINRA Rule 8210, that Esteva produce documents and information. Esteva failed to produce the requested documents and information in violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) requires a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically and to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding.

FINRA Rule 2010 requires that members and associated persons "observe high standards of commercial honor and just and equitable principles of trade." Failure to comply with Rule 8210 is a violation of FINRA Rule 2010.

On July 25, 2017, Enforcement sent Esteva a letter requesting, pursuant to FINRA Rule 8210, that he produce documents and information, including bank and brokerage statements and written statements addressing the customer complaints, in connection with the staff's investigation, by no later than August 8, 2017. The letter informed Esteva that if he failed to produce the requested documents and information, he could be subject to a disciplinary action and the imposition of sanctions, including a bar. The letter was sent by certified mail and first class mail to Esteva's residential address as reflected in the Central Registration Depository. Esteva received the letter and on August 8, 2017 and August 16, 2017, through his counsel, Esteva requested, and was granted, an extension to respond to the July 25, 2017 letter until August 22, 2017.

On August 22, 2017, Esteva, through his counsel, informed FINRA staff that he would not respond to FINRA's July 25, 2017 letter, and would not cooperate further with FINRA's investigation. To date, Esteva has not provided any of the documents or information requested in the July 25, 2017 letter.

By failing to produce the requested documents and information, Esteva violated FINRA Rules 8210 and 2010.

- B. I also consent to the imposition of the following sanctions:

A bar from association with any FINRA regulated broker-dealer in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I 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. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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

I understand 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 me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 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. I 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. I 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 my: (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.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that 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 me to submit it.

08/31/2017
Date (mm/dd/yyyy)


Lorenzo C. Esteve, Respondent

Reviewed by:



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Accepted by FINRA:

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

9/11/2017
Date


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