

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016049080401**

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

RE: Ciro Gilbert Cavazos, Respondent
Former Registered Representative
CRD No. 4438921

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

Ciro "Nick" Cavazos entered the securities industry almost 15 years ago. After being associated with several other FINRA member firms, he was registered with Edward Jones from October 2008 to July 2011 and with Raymond James Financial Services, Inc. from July 2011 until his termination in March 2016.

Although Cavazos is no longer associated with a FINRA member firm, FINRA maintains jurisdiction over him pursuant to Article V, Section 4 of FINRA's By-Laws.

OVERVIEW

Unbeknownst to either firm, Cavazos borrowed money from an Edward Jones customer in May 2011 and remained indebted after Cavazos moved to Raymond James several months later and the customer account followed. Cavazos violated FINRA Rules 3240 and 2010, and he hereby agrees to be suspended for three months in all capacities, to pay a \$5,000 fine, and to pay restitution of the principal

balance of the loan to the customer.

FACTS AND VIOLATIVE CONDUCT

In May 2011, while registered with Edward Jones, Cavazos borrowed \$10,000 from one of his customers (Customer A). The loan was undocumented and did not have specific repayment terms or a fixed maturity date. Cavazos orally agreed to repay the loan when he was able to do so. The loan remained outstanding when Cavazos's registrations transferred to Raymond James and Customer A's account followed. Cavazos has repaid only \$3,000 of the \$10,000 he borrowed from Customer A.

FINRA Rule 3240 prohibits registered representatives from borrowing money from customers except in limited circumstances, and then only if the member firm has written procedures permitting such borrowing. During the relevant period, the procedures of both Edward Jones and Raymond James prohibited registered representatives from borrowing money from customers, and Cavazos did not meet any of the limited circumstances for permitted borrowing under FINRA Rule 3240. Accordingly, Cavazos violated FINRA Rule 3240. By virtue of that violation, Cavazos also violated FINRA Rule 2010.

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

- A three-month suspension in all capacities;
- A \$5,000 fine; and
- Restitution is ordered to be made to Customer A in the amount of \$7,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the three-month suspension noted above, 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.

Restitution amounts ordered, pursuant to this disciplinary action, are due and payable immediately upon reassociation with a member firm following the suspension noted above, 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. 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. If for any reason Respondent cannot locate Customer A after reasonable and documented efforts within such period, or such additional period agreed to by the staff, 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 is last known to have resided.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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.

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.

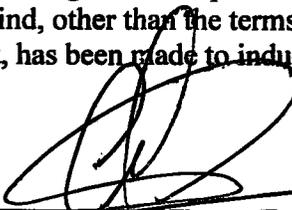
OTHER MATTERS

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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

7/28/16
Date (mm/dd/yyyy)


Ciro Gilbert Cavazos, Respondent

Accepted by FINRA:

8/4/16
Date

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



Michael J. Rogal
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FINRA Department of Enforcement
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