

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017054997501**

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

RE: Guillermo W. Valladolid, Respondent
General Securities Representative
CRD No. 4553357

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Guillermo W. Valladolid ("Respondent") 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

Respondent entered the securities industry in January 2002 when he became associated as a non-registered sales assistant with a FINRA regulated broker-dealer. He left that firm in December 2002.

In April 2011, after working outside of the securities industry, Respondent became associated with another FINRA regulated broker-dealer, receiving his Series 7 (General Securities Representative ("GSR")) and 66 (Uniformed Combined State Law) licenses in June and September of that year, respectively. Respondent left that firm in April 2015

In April 2015, Respondent became employed by Morgan Stanley (the "Firm"), a FINRA-registered broker-dealer, as a GSR.

On August 16, 2017, the Firm filed a Form US stating that Respondent had been discharged on July 24, 2017 based on "concerns regarding [his] outside business activities and information provided . . . during the Firm's review."

Respondent is not currently associated with a FINRA regulated broker-dealer. However, pursuant to Article V, Section 4(a) of the FINRA By-Laws, FINRA retains jurisdiction over him.

RELEVANT DISCIPLINARY HISTORY

Respondent has no relevant disciplinary history.

OVERVIEW

In August 2017, Respondent violated FINRA Rules 8210 and 2010 by failing to provide documents and information requested pursuant to FINRA Rule 8210 in connection with an investigation into allegations that Respondent improperly sold investments away from his FINRA regulated employer and engaged in an undisclosed outside business.

FACTS AND VIOLATIVE CONDUCT

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 any other person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically ... with respect to any matter involved in the investigation, complaint, examination or proceeding...” Rule 8210 also specifies that “[n]o member or person shall fail to provide information or testimony...pursuant to this Rule.”

A violation of FINRA Rule 8210 also violates FINRA Rule 2010.

On August 8, 2017, in connection with an investigation of allegations that Respondent improperly sold investments away from the Firm and engaged in an undisclosed outside business, FINRA staff sent a letter to Respondent pursuant to FINRA Rule 8210 requesting documents and information. A response to the letter was due no later than August 22, 2017. The letter advised Respondent that his failure to fulfill his obligations set forth in the request could expose him to sanctions, including a bar from the securities industry.

Respondent did not provide documents and a written statement as requested in the August 8, 2017 letter from FINRA staff.

On September 18, 2017, Respondent’s counsel stated in an e-mail that Respondent would not provide documents and information, including a written statement, as requested. In an October 12, 2017 telephone call, counsel for respondent reiterated that Respondent would not cooperate with FINRA’s investigation.

By refusing to provide documents and information, including a written statement requested pursuant to FINRA Rule 8210, Respondent violated FINRA Rules 8210 and 2010.

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

A bar from association with any FINRA member 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

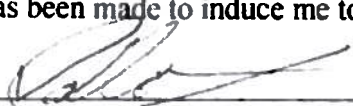
I understand that:

- 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.

12-20-17
Date (12/20/2017)


Guillermo W. Valladolid, Respondent

Reviewed by:


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Accepted by FINRA:

1/12/18
Date

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


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