

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017052993601**

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

RE: Kevin C. Yang, Respondent
General Securities Representative
CRD No. 2834317

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, I, Kevin C. Yang (“Yang” or “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

Yang first registered with a FINRA member firm in 1999. From May 2010 through May 2017, he was registered as a General Securities Representative through Morgan Stanley (BD No. 149777) (“Morgan Stanley” or the “Firm”). On May 9, 2017, Morgan Stanley filed a Form U5 stating that Yang was discharged due to “[c]oncerns regarding representative’s compliance with pre-trade client confirmation requirement in connection with certain trades in non-discretionary accounts and with firm communications.”

Yang is not currently registered or associated with any member firm. However, Yang remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4 of FINRA’s By-Laws.

RELEVANT DISCIPLINARY HISTORY

Yang does not have any relevant formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

OVERVIEW

Between April 2013 and January 2017, while registered with Morgan Stanley, Yang exercised discretion without written authorization in the accounts of nine customers, in violation of NASD Rule 2510 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

NASD Rule 2510(b) prohibits registered representatives from exercising discretion in a customer's account unless the customer has provided written authorization to the representative to exercise discretion, and the account has been accepted as a discretionary account, in writing, by the representative's firm.

Between April 2013 and January 2017, while registered with Morgan Stanley, Yang exercised discretion in approximately 13 accounts maintained by nine customers. Yang had not obtained prior written authorization from the customers to exercise discretion in their accounts, and Morgan Stanley had not approved any of the accounts for discretionary trading.

By virtue of the foregoing, Yang violated NASD Rule 2510(b) and FINRA Rule 2010.

- B. I also consent to the imposition of the following sanctions:
- a suspension from associating in any and all capacities with any FINRA member firm for twenty business days; and
 - a \$5,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm, 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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction 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.

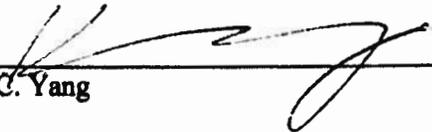
OTHER MATTERS

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

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 understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; 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.

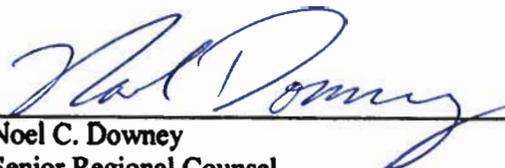
02/26/2018
Date (mm/dd/yyyy)


Kevin C. Yang

Accepted by FINRA:

3/7/2018
Date

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


Noel C. Downey
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