

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2016050297702**

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

RE: Jaime Aguilar, Respondent  
Registered Representative  
CRD No. 3082057

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**

Aguilar entered the securities industry in June 1998 when he associated with a FINRA member firm. Aguilar obtained Series 7 and 63 licenses.

From June 2009 to May 2016, Aguilar was registered with Morgan Stanley (or "the Firm"). Morgan Stanley filed a Form U5 effectively terminating Aguilar's registration on June 8, 2016 for engaging in an "outside financial transaction ... [with] a client of the firm ... which was not disclosed to the firm."

Although Aguilar is no longer associated with a FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of the FINRA By-Laws.

**OVERVIEW**

Between December 2012 and April 2013, Aguilar borrowed funds totaling \$22,100 from two customers without disclosing the loans to the Firm. As a result,

Aguilar violated FINRA Rules 3240 and 2010.

In addition, in May 2013 and June 2014, Aguilar falsely stated in annual compliance questionnaires that he had not borrowed money from customers in the past 24 months. As a result, Aguilar violated FINRA Rule 2010.

### **FACTS AND VIOLATIVE CONDUCT**

FINRA Rule 3240 prohibits registered persons from borrowing from or lending money to customers unless (i) the member firm has written procedures allowing the borrowing of money from customers of the member and (ii) the borrowing or lending arrangement meets certain specified conditions. FINRA Rule 2010, in turn, states that a FINRA member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.

In December 2012, Aguilar and his wife borrowed \$10,000 from one of Aguilar's customers at the Firm. Aguilar repaid the loan in full in January 2017.

Additionally, in April 2013, Aguilar borrowed \$12,100 from another customer of the Firm. Aguilar paid this loan back in full in February 2015.

At all relevant times, the Firm prohibited these loans from customers, and Aguilar failed to disclose the loans to the Firm. By reason of the foregoing, Aguilar violated FINRA Rules 3240 and 2010.

Additionally, Aguilar completed annual Firm compliance questionnaires in May 2013 and June 2014. Both questionnaires asked Aguilar whether he had borrowed any money from any client within the previous 24 months. Aguilar falsely answered "No" to this question both times. As a result, Aguilar violated FINRA Rule 2010.

- B. I also consent to the imposition of the following sanctions:
1. A suspension from association with any FINRA member in any capacity for 45 days; and
  2. A \$5,000 fine.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 45-day 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.

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).

## 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 prejudice 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

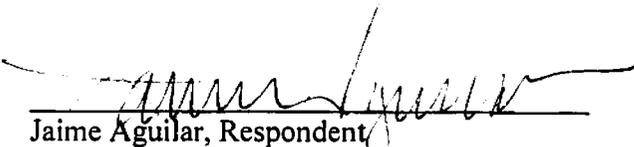
I understand that:

- 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.

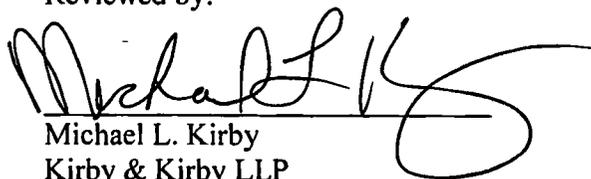
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the

prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

JUNE 14, 2017  
Date (mm/dd/yyyy)

  
Jaime Aguilar, Respondent

Reviewed by:

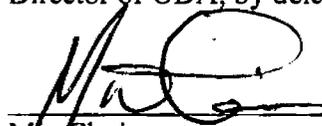
A handwritten signature in black ink, appearing to read "Michael L. Kirby". The signature is fluid and cursive, with a large, stylized "K" at the end.

Michael L. Kirby  
Kirby & Kirby LLP  
501 W. Broadway, Ste 1720  
San Diego, CA 92101  
Tel: (619) 557-4402

Accepted by FINRA:

7/6/17  
Date

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



Min Choi  
Principal Counsel  
FINRA Department of Enforcement  
15200 Omega Drive, Suite 300  
Rockville, MD 20850  
Telephone: (301) 258-8591  
Facsimile: (202) 721-6590