

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020066887401**

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

RE: Jesus Manuel Bravo (Respondent)
General Securities Representative
CRD No. 2838164

Pursuant to FINRA Rule 9216, Respondent Jesus Manuel Bravo submits 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 Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Bravo first registered with FINRA in 1997. Bravo was registered as a General Securities Representative and General Securities Principal through an association with Joseph Stone Capital L.L.C. (CRD No. 159744) from August 2014 through March 2020. Since December 2, 2020, Bravo has been registered with FINRA as a General Securities Representative and General Securities Principal through an association with another FINRA member firm.

On June 25, 2012, FINRA accepted an Offer of Settlement through which Bravo consented to findings that he had shared securities commissions with an unregistered individual and provided false and misleading information to his firm about that topic, in violation of NASD Conduct Rules 2420 and 3110 and FINRA Rule 2010. Through that Offer of Settlement, Bravo was suspended from associating with any FINRA member firm in all capacities for one-year and fined \$20,000.¹

¹ For more information about the respondent, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

OVERVIEW

Between March 2015 and September 2017, Bravo excessively and unsuitably traded two customer accounts, in violation of FINRA Rules 2111 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2111(a) provides in pertinent part that “[a] member or an associated person must have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer’s investment profile.” Recommended securities transactions may be unsuitable if, when taken together, they are excessive, the level of trading is inconsistent with the customer’s investment profile, and the registered representative exercises control over the customer’s account.

No single test defines when trading is excessive, but factors such as the turnover rate and the cost-to-equity ratio are considered in determining whether a member firm or associated person has violated FINRA’s suitability rule. Turnover rate represents the number of times that a portfolio of securities is exchanged for another portfolio of securities. The cost-to-equity ratio measures the amount an account must appreciate just to cover commissions and other expenses. In other words, it is the break-even point where a customer may begin to see a return. A turnover rate of six or a cost-to-equity ratio above 20 percent generally indicates that excessive trading has occurred.

A violation of FINRA Rule 2111 also constitutes a violation of FINRA Rule 2010, which requires associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business.

During the relevant period, Bravo recommended unsuitable and excessive trades in two customers’ accounts. First, Bravo caused Customer A, a senior investor, to place 21 trades, with a total principal value of more than \$224,000, in his account between March 2015 and February 2017. During that period, Customer A’s average monthly equity was less than \$9,500, yet Bravo’s recommended trades caused the customer to pay more than \$5,000 in commissions and other trade costs. Bravo’s recommendations resulted in an annualized cost-to-equity ratio of 35 percent – meaning that Customer A’s account would have to grow by 35 percent annually just to break even. Second, Bravo caused Customer B, a carpenter with limited investment experience, to place 23 trades in his account between April 2016 and September 2017. Although Customer B’s account had an average monthly equity of approximately \$10,500, Bravo’s recommended trades caused him to pay nearly \$5,000 in commissions and other trade costs, and resulted in an annualized cost-to-equity ratio of approximately 31%.

Customers A and B relied on Bravo’s advice and accepted his recommendations. Those recommended transactions, which caused the customers to pay a total of \$10,234.71 in commissions and other charges, were excessive and unsuitable. Therefore, Bravo violated FINRA Rules 2111 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a three-month suspension from associating with any FINRA member in all capacities and
- restitution of \$10,234.71 plus interest as described below.

Restitution is ordered to be paid to the customers listed on Attachment A to this AWC (Eligible Customers) in the total amount of \$10,234.71, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. § 6621(a)(2), from September 30, 2017 until the date this AWC is accepted by the National Adjudicatory Council (NAC).

Respondent has submitted a statement of financial condition and demonstrated an inability to pay full restitution immediately upon issuance of the AWC. In light of the financial status of the Respondent, restitution of \$10,234.71 to the Eligible Customers shall be payable on the schedule and in the amounts listed on Attachment A, commencing with the first payment to be made on the 15th day of the month following the notice of acceptance of the AWC.

Respondent shall submit satisfactory proof of payment of restitution and interest (separately specifying the date and amount of each paid to each Eligible Customer), or of reasonable and documented efforts undertaken to effect restitution after each payment due under the installment plan. Such proof shall be submitted by email to EnforcementNotice@FINRA.org. The email must identify Respondent and the case number and include a copy of the check, money order, or other method of payment. This proof shall be provided by email to EnforcementNotice@FINRA.org no later than 15 days after each payment is due.

The restitution amount plus interest to be paid to each Eligible Customer shall be treated by the Respondent as the Eligible Customer's property for purposes of state escheatment, unclaimed property, abandoned property, and similar laws. If after reasonable and documented efforts undertaken to effect restitution Respondent is unable to pay all Eligible Customers within 15 days after each payment is due, Respondent shall submit to FINRA in the manner described above a list of the unpaid Eligible Customers and a description of Respondent's plan, not unacceptable to FINRA, to comply with the applicable escheatment, unclaimed property, abandoned property, or similar laws for each such Eligible Customer.

Respondent specifically and voluntarily waives any right to claim an inability to pay at any time after the execution of this AWC, the monetary sanction imposed in this matter.

The imposition of a restitution order or any other monetary sanction in this AWC, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

As stated, Respondent has submitted a statement of financial condition and demonstrated a limited ability to pay. In light of Respondent's financial status, the sanctions do not include a monetary fine.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, he 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 in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives 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 its acceptance or rejection.

Respondent further specifically and voluntarily waives 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

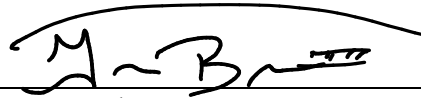
Respondent understands that:

- 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 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 its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

11/15/2022

Date



Jesus Manuel Bravo
Respondent

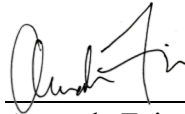
Reviewed by:



Jon-Jorge Aras
Counsel for Respondent
Warren Law Group, LLC
14 Penn Plaza, 9th Floor
New York, NY 10122

Accepted by FINRA:

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



Amanda Fein
Principal Counsel
FINRA
Department of Enforcement
99 High St., Suite 900
Boston, MA 02110

November 22, 2022

Date

ATTACHMENT A
TO LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
MATTER NO. 2020066887401

Customer A:\$ 5,321.28
Customer B:\$ 4,913.43

Installment Plan

1st Installment

Customer A: \$500

Customer B: \$500

Due: On the 15th day of the month following the notice of acceptance of the AWC.

2nd Installment

Customer A: \$2,300

Customer B: \$2,300

Due: Six months from when the 1st installment was due.

3rd Installment

Customer A: \$2,521.28

Customer B: \$2,113.43

Due: Six months from when the 2nd installment was due.

4th Installment

Amount: Interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. § 6621(a)(2), from September 30, 2017 until the date this AWC is accepted by the National Adjudicatory Council (NAC).

Due: Six months from when the 3rd installment was due.