

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20150483570-01**

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

RE: Maria Fan, Respondent
CRD No. 4926890

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Maria Fan, 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

Fan first became registered with FINRA in 2009 as a General Securities Representative ("GSR") through an association with a FINRA member firm. After working at several other FINRA member firms, Fan became registered in March 2014 as a GSR with member firm Aegis Capital Corp. (BD No. 15007) ("Aegis" or the "Firm"). On July 30, 2015, Fan's registration through Aegis was voluntarily terminated, and Fan became registered through another member firm as a GSR. Fan's registration through that member firm was voluntarily terminated on January 11, 2016. Fan is not currently registered with FINRA or associated with any FINRA member firm.

RELEVANT DISCIPLINARY HISTORY

Fan does not have any disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization or any state securities regulator.

OVERVIEW

From September 2014 through February 2015 (the “Relevant Period”), Fan used a non-Firm issued smartphone to exchange business-related text messages with a customer (“RZ”), and provided a non-Firm issued email address to RZ for the purpose of receiving business-related emails from RZ. Fan’s use of text messages and a non-Firm issued email address caused Aegis to fail to retain those communications and undermined the Firm’s ability to supervise Fan’s communications with a customer. As a result, Fan violated FINRA Rules 4511 and 2010.

Five text messages sent from Fan to RZ contained exaggerated and promissory language or inappropriately projected performance of securities that Fan had purchased for RZ. As a result, Fan violated FINRA Rules 2210(d) and 2010.

FACTS AND VIOLATIVE CONDUCT

1. FINRA Rule 4511 requires members to make and preserve books and records as required under the FINRA rules, the Securities Exchange Act of 1934 (“Exchange Act”) and the applicable Exchange Act rules. Associated persons violate FINRA Rule 4511 when they cause a member firm to fail to preserve documents required to be preserved by such rules.

During the Relevant Period, Fan used the text messaging function of a non-Firm issued smartphone to exchange business-related messages with RZ. These messages included, among other things, recommendations of securities and discussions of RZ’s Aegis account performance. Fan also provided RZ with Fan’s personal email address and instructed RZ to use that email address in connection with a business-prospecting project that RZ was completing as Fan’s intern. The Firm’s WSPs in effect during the Relevant Period required all electronic business communications to be transmitted only through Firm-sponsored systems, and prohibited the use of personal email accounts for business communications. Fan did not provide Aegis with her communications with RZ or inform Aegis that she was communicating with RZ via text message and personal email.

As a result of the foregoing, Fan violated FINRA Rules 4511 and 2010.

2. FINRA Rule 2210(d) imposes content standards on member communications with the public. Rule 2210(d)(1)(A) provides that all such communications be based on principles of fair dealing and good faith, and must be fair and balanced. Rule 2210(d)(1)(B) prohibits false, exaggerated, unwarranted, promissory or misleading statements or claims in communications with the public. Rule 2210(d)(1)(F) provides that such communications may not predict or project performance, or make any exaggerated or unwarranted claim, opinion or forecast.

Five text messages sent by Fan to RZ during the Relevant Period violated the content standards set forth in FINRA Rule 2210(d) by making inappropriate predictions and exaggerated, promissory claims about securities that Fan had purchased for RZ. For example, on September 24, 2014, Fan texted RZ "I can make you \$1000 in a day if you give me \$2000 tomorrow [w]ith GPRO." Later in the month she predicted that "ADHD will go up to \$40 in two weeks." In January 2016, Fan texted RZ about a "no loss strategy using covered call."

As a result of the foregoing, Fan violated FINRA Rules 2210(d) and 2010.

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

- a deferred fine of \$7,500; and
- a 60 calendar day suspension from association in any capacity with any FINRA member firm.

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 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.

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.

September 8, 2016

Date (mm/dd/yyyy)



Maria Fan (CRD No. 4926890)
Respondent

Corrective Action Statement

With reference to the AWC letter,

I wish to make the following points in corrective action:

I will use office landline phone, company computer for phone call and email with clients.

The corrective action statement is submitted by the respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the view of FINRA, or its staff.