

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2014039998801**

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

RE: Jose A. Zapata, Respondent  
General Securities Representative  
CRD No. 2892463

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**

Zapata first became associated with a FINRA member firm in 1996, and he received his Series 7 registration in April 1998. He was thereafter associated with several FINRA member firms. During the course of his career in the securities industry, Zapata also obtained his Series 63 and 65 licenses. From January 2009 through December 2013, Zapata was associated with Argentus Securities, LLC (“Argentus” or the “Firm”). After his association with Argentus, Zapata was associated with another FINRA member firm from December 2013 until that member firm filed a Form U5 terminating his association on May 29, 2015. Zapata is not currently associated with a FINRA member firm.

Although he is not currently associated with a FINRA member firm or registered with FINRA, Zapata is subject to the jurisdiction of FINRA, pursuant to Article V, Section 4 of FINRA’s By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons.

## OVERVIEW

Between September 2012 and October 2013, Zapata made misrepresentations to one of his customers, SS, about her account balance. Specifically, he overstated the value of her account in order to conceal investment losses that had been sustained in the account and to induce her not to complain about those losses. By engaging in the foregoing conduct, Zapata violated FINRA Rule 2010.

## FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2010 requires that member firms and associated persons “observe high standards of commercial honor and just and equitable principles of trade.”

SS, who resides in Mexico, had been Zapata’s customer since 2007. Because SS had declined to have her account statements mailed to her home address due to security concerns, she would frequently call Zapata and ask him to provide her with her account balance.

By September 2012, SS had begun verbally expressing concerns to Zapata about the performance of her account, which had sustained investment losses. During one of these conversations, in order to prevent SS from filing a complaint, Zapata intentionally lied to SS, telling her that her account was worth approximately \$170,000, when in fact it was actually worth only \$108,225.

Over the ensuing months, Zapata continued to falsely overstate the value of SS’s account by amounts ranging from \$15,000 to \$60,000 during telephone conversations with SS. During this time period, Zapata was also aware that SS, relying on the artificially inflated account values, made at least two purchase decisions, including the purchase of a car and a condominium.

By making misrepresentations about the balance of a customer’s account, Zapata violated FINRA Rule 2010.

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

- A bar from associating 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. Pursuant to FINRA Rule 8313(e), 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 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:

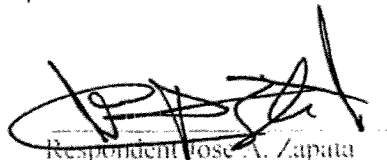
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and

C. If accepted:

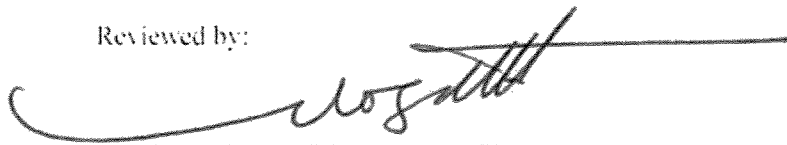
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public 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.

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 [the Firm] to submit it.

12/8/15  
Date

  
Respondent Jose A. Zapata

Reviewed by:

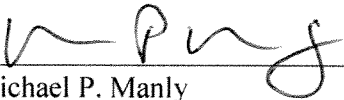


Rogge Dunn  
Counsel for Respondent  
Clouse Dunn LLP  
1201 Elm Street, Suite 5200  
Dallas, Texas 75270-2142  
214-220-0077

Accepted by FINRA:

12/30/2015  
Date

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

  
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Michael P. Manly  
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