

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2018057636001**

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

**RE:** Bruce Zaro, Respondent  
General Securities Representative  
CRD No. 1271065

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, I, Bruce Zaro (“Zaro” 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**

Zaro entered the securities industry in March 1984 when he became associated with a FINRA-regulated broker-dealer.

From May 2002 through January 2018, Zaro was associated with Bolton Global Capital (“Bolton” or “the Firm”), a FINRA-regulated broker-dealer, as a General Securities Representative (“GSR”). In a Uniform Termination Notice for Securities Industry Registration (“Form U5”) dated March 1, 2018, the Firm reported that Zaro was permitted to resign following the Firm’s review of a customer’s complaint that they had not signed certain account documents.

Zaro is currently associated with another FINRA-regulated broker-dealer as a GSR. Given his continuing employment with a FINRA-regulated broker-dealer, Zaro remains subject to FINRA’s jurisdiction.

**RELEVANT DISCIPLINARY HISTORY**

Zaro has no prior disciplinary history.

## **OVERVIEW**

In October 2017, Respondent, without prior knowledge or authorization by his Firm customer, signed the signature of his Firm customer on an IRA/ESA Distribution Request ("Distribution Request").

By engaging in this conduct, Respondent violated FINRA Rule 2010. Respondent also violated FINRA Rules 4511 and 2010 by causing the Firm to maintain inaccurate books and records in violation of Section 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17a-3 thereunder.

## **FACTS AND VIOLATIVE CONDUCT**

FINRA Rule 2010 requires members and their associated persons to "observe high standards of commercial honor and just and equitable principles of trade." Signing a customer's name to a document without the customer's knowledge and authorization violates FINRA Rule 2010.

FINRA Rule 4511 requires each member to make and preserve books and records in conformity with Section 17(a) of the Exchange Act and Rules 17a-3 and 17a-4 promulgated thereunder. Rule 17a-3(a)(1) requires that a firm make and keep current, among other things, blotters or other records of original entry containing an itemized daily record of all purchases and sales of securities, receipts and disbursements of cash; These records must also be accurate. Causing a FINRA-regulated broker-dealer to make or preserve inaccurate records is a violation of this Rule, and violates FINRA Rule 4511 and FINRA Rule 2010.

In October 2017, Respondent signed his Firm customer's name on a Distribution Request associated with an IRA account established for the benefit of a living trust. The unauthorized signature caused the transfer of funds from the IRA account to another of the trust's accounts, instead of to the accounts requested by the customer. The resulting transfer also caused potential tax consequences for the accountholders. The Firm maintained the Distribution Request as part of its books and records.

The customer discovered the unauthorized signature on the Distribution Request in or around December 2017 when reviewing her accounts, and complained to the Firm. The Firm was able to reverse the transfer and effect the requested distributions prior to the customer incurring any negative tax consequences.

By signing his customer's name to the Distribution Request without the customer's knowledge or authorization, Respondent violated FINRA Rule 2010. By engaging in this conduct and submitting the Distribution Request to the Firm as an original, Respondent also caused the Firm to maintain inaccurate books and records in violation of Rule 17a-3 of the Exchange Act. In doing so, Respondent violated FINRA Rules 4511 and 2010.

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

1. A two-month suspension from association with any FINRA-regulated broker-dealer in any capacity; and
2. A \$5,000 fine.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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).

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.

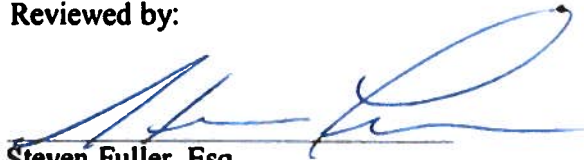
12/17/2018

Date (mm/dd/yyyy)



Bruce Zaro, Respondent

Reviewed by:



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*Counsel for Respondent*

Accepted by FINRA:

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

1/22/2019

Date



Tiffany A. Buxton  
Director  
FINRA Department of Enforcement  
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