

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020068346501**

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

RE: Amit Kumar Bhatia (Respondent)
General Securities Representative
CRD No. 5305020

Pursuant to FINRA Rule 9216, Respondent Amit Kumar Bhatia 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

In November 2010, Bhatia first registered with FINRA as an Investment Banking Representative (IB) through an association with Raymond James & Associates (CRD No. 705). Bhatia terminated his association with Raymond James in December 2010, and he did not associate with a FINRA member firm again until 2019. Bhatia re-registered with FINRA as an IB through an association with Raymond James in July 2019. In October 2020, Bhatia's FINRA registration terminated when Raymond James filed a Form U5 stating that he had been discharged due to a "reduction in force" and disclosing an "[i]nternal review of unauthorized purported letters of credit" regarding Bhatia. In December 2020, Raymond James filed an amended Form U5 stating, "The Firm's review concluded that Associate signed and issued purported letters of credit without Firm approval." Although Bhatia is not currently registered with any FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of FINRA's By-Laws.¹

OVERVIEW

Between August 2019 through August 2020, while associated with Raymond James, Bhatia signed two documents that purported to be letters of credit, and one amendment for each of these letters of credit, issued by Raymond James for the benefit of a firm

¹ For more information about the Respondent, visit BrokerCheck® at www.finra.org/brokercheck.

customer (Customer A). However, Bhatia had no authority to sign letters of credit on behalf of the firm. Through this conduct, Bhatia violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

This matter arose from Raymond James self-reporting to FINRA in October 2020 the circumstances of Raymond James personnel providing unauthorized letters of credit to a firm customer.

FINRA Rule 2010 requires associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business. Unethical business-related conduct may violate Rule 2010 even if the conduct does not involve a security or a securities transaction. Associated persons violate Rule 2010 when they purport to execute documents on behalf of their firm without the firm’s authorization.

Beginning in March 2019, Bhatia was employed as a Senior Vice President in Raymond James’ Credit Finance group and then the firm’s Debt Restructuring and Recapitalization group within the Investment Banking Division. Bhatia’s job responsibilities at the time included developing corporate financing packages for the firm’s investment banking customers. In August 2019, Customer A, then a former senior executive of Raymond James’ Investment Banking Division, asked Bhatia to sign letters of credit in support of Customer A’s business activities. Customer A told Bhatia that he could sign the documents in his capacity as Senior Vice President in the Investment Banking Division. However, Raymond James did not provide letters of credit to firm customers, and Bhatia never confirmed with Raymond James that he had authorization from the firm to sign letters of credit on behalf of the firm.

Between August 2019 through August 2020, Bhatia signed two documents that purported to be letters of credit, and one amendment for each of these purported letters of credit, for Customer A, totaling approximately \$3 million in credit, without his firm’s knowledge or authorization. Customer A provided these letters of credit and amendments to a lender. When Raymond James discovered the unauthorized letters of credit in September 2020, it advised Customer A that the letters of credit he had provided to the lender were not valid. Raymond James was never required to meet any obligations under the purported letters of credit. Bhatia did not receive any compensation in exchange for signing the purported letters of credit.

By executing and issuing the purported letters of credit without authorization from Raymond James, Bhatia violated FINRA Rule 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
 - a \$5,000 fine.

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.

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

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 National Adjudicatory Council (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.

October 7, 2022

Date



Amit Kumar Bhatia
Respondent

Reviewed by:

Louis Miron

Louis Miron
Counsel for Respondent
Attorney at Law
123 North Union Ave., Suite 103
Cranford, NJ 07016

Accepted by FINRA:

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

October 12, 2022

Date

John Sheehan

John Sheehan
Principal Counsel
FINRA
Department of Enforcement
100 Pine St., Suite 1800
San Francisco, CA 94111