

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022074074801**

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

RE: Lucas Mroz (Respondent)
General Securities Representative
CRD No. 5725399

Pursuant to FINRA Rule 9216, Respondent Lucas Mroz 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

Mroz first entered the securities industry in 2011 as an Investment Company and Variable Contracts Products Representative through a FINRA member firm. From 2012 through the present, Mroz has been registered with FINRA as a General Securities Representative through Morgan Stanley.¹

OVERVIEW

In May and June 2020, while associated with Morgan Stanley, Mroz processed three fund transfers from a customer's account based upon instructions given to him by the customer's father, who was not authorized to direct transactions in the customer's account. By virtue of this conduct, Mroz made unauthorized transactions in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA began an investigation into this matter after receiving a disclosure from Morgan Stanley regarding disciplinary action it took against Mroz.

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

Pursuant to FINRA Rule 2010, a registered representative “shall observe high standards of commercial honor and just and equitable principles of trade.” Making unauthorized transactions in a customer’s account violates FINRA Rule 2010.

Morgan Stanley’s written policies prohibited representatives from processing fund transfers without the prior express authorization of the customer or someone the customer had authorized to act on the client’s behalf. To authorize a third party to transact in an account, the firm required customers to complete and sign an authorization form that the firm had to approve in writing.

In 2020, Mroz was the sales assistant to the registered representative of record for a brokerage account held by a customer and a separate account held by the customer’s father. The father was not authorized to direct transactions in the customer’s account. The customer and her father had previously transferred large sums of money between their accounts in multiple separate transactions. In May and June 2020, based upon instructions received from the customer’s father, Mroz made three fund transfers, each for \$100,000, from the customer’s account to the father’s account. Mroz inaccurately represented on the firm’s verbal authorization forms that he had spoken with the customer when he actually had communicated with the customer’s father. After the customer questioned the May/June 2020 transfers, the father transferred the funds back to the customer’s account. Mroz did not earn any compensation for the transfers.

By virtue of the foregoing, Mroz made unauthorized transactions in violation of FINRA Rule 2010.

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

- a 45-calender-day suspension from associating with any FINRA member in all capacities; and
- a \$7,500 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

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

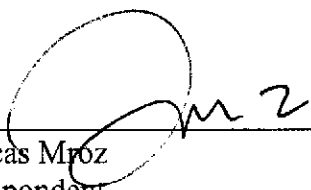
Respondent understands that:

- 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.

2/16/2024
Date



Lucas Mroz
Respondent


Reviewed by:

Abe Lampart
Abe Lampart
Counsel for Respondent
Law Offices of Abe Lampart, P.C.
292 Morning Sun Avenue
Mill Valley, CA 94941

Accepted by FINRA:

2/27/2024
Date

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



Gregory Forfa
Senior Attorney
FINRA
Department of Enforcement
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