

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 86055 / June 6, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19195

In the Matter of

JOSE G. RAMIREZ, JR.,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Jose G. Ramirez, Jr. (“Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From February 1997 through January 2014, which includes the time in which he engaged in the conduct underlying the Information described in Paragraph 5 below, Ramirez was a registered representative of UBS Financial Services Incorporated of Puerto Rico (“UBS-PR”), a broker-dealer registered with the Commission. Ramirez, 60, is a resident of Fulton, Maryland.

B. RESPONDENT'S CRIMINAL CONVICTION

2. The Commission's complaint in *SEC v. Ramirez, Jr.*, Case No. 3:15-cv-02365-PAD in the United States District Court for the District of Puerto Rico, alleged that from approximately 2006 through 2013, Respondent offered and sold millions of dollars of certain UBS-PR affiliated, non-exchange traded closed-end mutual funds ("CEFs") to certain customers while soliciting them to use non-purpose lines of credit ("LOCs") to purchase such securities and fraudulently misrepresented the risks of this strategy to them. Ramirez knew that UBSPR policy and the customers' agreements with UBSPR's Utah-based affiliate, UBS Bank USA ("UBS-UT") did not allow customers to use proceeds from the LOCs for the purpose of purchasing securities. To circumvent these restrictions, Ramirez presented to certain customers a way to make additional money by using the LOCs to increase their holdings of the CEFs. Ramirez encouraged these customers to withdraw funds from their LOC accounts, deposit those funds into an account at another bank, wait several days, and then redeposit the funds from the outside bank account into a UBSPR brokerage account and purchase CEFs.

3. On November 16, 2018, Ramirez pled guilty to one count of Bank Fraud, in violation of Title 18, U.S.C. § 1344(1) and (2) in *United States v. Ramirez-Arone*, 18-cr-00325-TFH (D.D.C.). On March 26, 2019, Ramirez was sentenced to 12 months and 1 day imprisonment, and two-years supervised release. On April 2, 2019, judgment was entered against Ramirez reflecting the sentence imposed.

4. The criminal Information charged that from at least in or about January 2011 through at least in or about September 2013, within the District of Puerto Rico and elsewhere, Ramirez did knowingly execute, and attempt to execute, a scheme and artifice to defraud a financial institution, to wit, UBS-UT and to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of UBS-UT, by means of false and fraudulent pretenses, representations, and promises, to wit, falsified non-purpose credit line applications. This charge, as evidenced by the facts Ramirez admitted during his plea allocution of November 16, 2018, was based on the same facts as alleged in the Commission's Complaint.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to suspend or bar Ramirez from participating in any offering of penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock; or inducing or attempting to induce the purchase or sale of any penny stock.

IV.

IT IS ORDERED that a public hearing before the Commission for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondent fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

This Order shall be served forthwith upon Ramirez by any means permitted by the Commission's Rules of Practice.

Attention is called to Rule 151(b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed with the Office of the Secretary and all motions, objections, or applications will be decided by the Commission. The Commission requests that an electronic courtesy copy of each filing should be emailed to APFilings@sec.gov in PDF text-searchable format. Any exhibits should be sent as separate attachments, not a combined PDF.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or

disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission. This proceeding shall be deemed to be one under the 75-day timeframe specified in Rule of Practice 360(a)(2)(i), 17 C.F.R. § 201.360(a)(2)(i), for the purposes of applying Rules of Practice 233 and 250, 17 C.F.R. §§ 201.233 and 250.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Vanessa A. Countryman
Acting Secretary