

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 86098 / June 13, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19199

In the Matter of

Jovannie Aquino

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

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

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds¹ that:

1. Jovannie Aquino (“Aquino”) is a resident of the Bronx, New York. He worked as a registered representative associated with Meyers Associates, LP (later known as

¹ The findings herein are made pursuant to Aquino’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Windsor Street Capital, LP) from May 2014 through November 2017. Since 2004 to the present, Aquino has worked for twelve different brokerage firms and holds Series 7 and 63 licenses.

2. On May 17, 2019, a final judgment ("Final Judgment") was entered by consent against Aquino, permanently enjoining him from future violations, or knowingly providing substantial assistance to future violations, of (i) Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], (ii) Section 10(b) of the Exchange Act and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5], in the civil action entitled Securities and Exchange Commission v. Jovannie Aquino, Civil Action No. 18-CV-8191 (JMF), in the United States District Court for the Southern District of New York ("Action").

3. The Commission's complaint alleged as follows: From December 2015 to November 2017, Aquino, then a registered representative at a broker-dealer based in New York City, engaged in violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10(b)(5) thereunder and Section 17(a) of the Securities Act of 1933 involving excessive trading in the accounts of his retail customers that generated substantial commissions to enrich himself while his customers experienced significant losses. The complaint alleged that Aquino persuaded at least seven customers to maintain securities trading accounts with him at the firm and assured them that he would employ a profitable trading strategy on their behalf. Aquino recommended a series of frequent, short-term trades to these customers while charging them commissions and fees for each trade. The frequency of Aquino's trading, coupled with the commissions and fees on every trade, made it almost certain that his customers would lose money from the recommended level of trading. Indeed, the customers' investments would need to achieve annual returns of approximately 21% to 406% just to pay for the transaction costs associated with Aquino's trading strategy. The Complaint further alleged that Aquino was required to have a reasonable basis to believe his trading strategy was suitable for the customers to whom he recommended it. In fact, Aquino did not have a reasonable basis to believe that the frequent level of trading he recommended to customers, given the significant costs imposed on them, would be suitable for them or anyone else. Additionally, Aquino recommended a level of trading that was unsuitable to six customers, in light of those customers' financial needs, investment objectives, risk tolerance, and other circumstances. Aquino also engaged in fraudulent and deceptive conduct by executing certain trades in customers' accounts without first obtaining their approval or informing them of material facts about the trading strategy he recommended, as required for non-discretionary accounts.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that pursuant to Section 15(b)(6) of the Exchange Act Respondent Aquino be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and,

barred from participating in any offering of a 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.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Acting Secretary