

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023079509301**

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

RE: Mary Christine Beslagic (Respondent)
Former General Securities Representative
CRD No. 5966835

Pursuant to FINRA Rule 9216, Respondent Mary Beslagic 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

Beslagic first registered with FINRA as a General Securities Representative through an association with Edward Jones (CRD No. 250) in September 2011. On August 9, 2023, Edward Jones filed a Uniform Termination Notice for Securities Industry Registration (Form U5) reporting that it had discharged Beslagic due to "concerns including recommending two clients access home equity line proceeds to purchase investments."

Although Beslagic is not currently registered or associated with a FINRA member, FINRA has jurisdiction over her pursuant to Article V, Section 4(a)(i) of FINRA's By-Laws.¹

OVERVIEW

In March 2022, Beslagic recommended that two firm customers invest proceeds of their home equity loan in mutual funds. Given the customers' near-term liquidity needs and the characteristics of the mutual funds, which carried the risk of short-term capital loss, this recommended investment strategy was not in the customers' best interest. Therefore, Beslagic willfully violated Rule 15c-1(a)(1) under the Securities Exchange Act of 1934 (Regulation Best Interest or Reg BI) and FINRA Rule 2010.

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

FACTS AND VIOLATIVE CONDUCT

This matter originated from the Form U5 reporting Beslagic's discharge from Edward Jones.

As of June 30, 2020, broker-dealers and their associated persons are required to comply with Regulation Best Interest under the Securities Exchange Act of 1934. Rule 15c-1(a)(1) of Reg BI requires a broker, dealer, or a natural person associated with a broker or dealer, when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer, to act in the best interest of that retail customer at the time the recommendation is made, without placing the financial or other interest of the broker, dealer, or associated person ahead of the interest of the retail customer. Reg BI's Care Obligation, set forth at Exchange Act Rule 15c-1(a)(2)(ii), requires broker-dealers and their associated persons to exercise reasonable diligence, care, and skill to, among other things, have a reasonable basis to believe that the recommendation is in the best interest of a particular retail customer based on that retail customer's investment profile and the potential risks, rewards, and costs associated with the recommendation. Regulation BI defines a "retail customer investment profile" to include, but not be limited to, the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the customer may disclose to the member or associated person in connection with such recommendation.

In Notice to Members 04-89 from 2004, FINRA reminded member firms and associated persons of suitability concerns when recommending customers invest liquefied home equity. Associated persons should consider additional factors as part of their suitability analysis for such recommendations, including the investor's risk tolerance with respect to the funds being invested.

A violation of Reg BI also is a violation of FINRA Rule 2010, which requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

In March 2022, two firm customers, a married couple, took out a home equity loan of \$220,000 with the intent of purchasing a house for a family member and renovating their own home in the near term. Beslagic was aware of the customers' intended use of their liquefied home equity proceeds and that the customers had several other near-term liquidity needs. Nevertheless, in March 2022, Beslagic recommended that the customers invest their liquefied home equity in mutual funds that primarily targeted long-term growth and carried the risk of short-term capital loss. The mutual funds began declining in value shortly after the customers purchased them, resulting in the customers selling a portion of their investments at a loss and taking out margin loans totaling approximately \$25,000 to meet their near-term liquidity needs.²

² The firm provided compensation to the customers totaling \$24,276.00 for their losses.

Given the customers' near-term liquidity needs, Beslagic did not have a reasonable basis to believe that her recommended investment strategy was in the customers' best interest.

Therefore, Beslagic willfully violated Exchange Act Rule 15c-1(a)(1) and violated FINRA Rule 2010.

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

- a two-month suspension from associating with any FINRA member in all capacities and
- a \$5,000 fine

Respondent understands that if she is barred or suspended from associating with any FINRA member, she 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, she 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.

Respondent understands that this settlement includes a finding that she willfully violated Rule 15c-1(a)(1) of the Securities Exchange Act of 1934 and that under Article III, Section 4 of FINRA's By-Laws, this makes her subject to a statutory disqualification with respect to association with a member.

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.

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 her;
- 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 prejudice 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 she 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 she has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent understands and acknowledges that FINRA does not represent or advise her and Respondent cannot rely on FINRA for legal advice. 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 her to submit this AWC.

Dec 5, 2024
Date

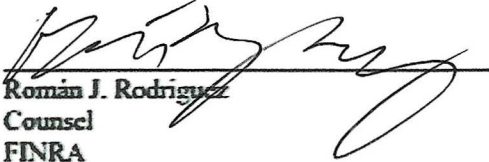

Mary Christine Beslagic
Respondent

Accepted by FINRA:

12/12/2024

Date

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



Roman J. Rodriguez

Counsel

FINRA

Department of Enforcement

200 Liberty St.

New York, NY 10281