

ADMINISTRATIVE PROCEEDING  
BEFORE THE  
MARYLAND SECURITIES COMMISSIONER

IN THE MATTER OF:

\*

Miche D. Jean, CRD # 5918186

\*

Docket # 2022-0160

Respondent

\*

\* \* \* \* \*

**CONSENT ORDER**

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Division”), pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2014 Repl. Vol. and Supp. 2021) (the “Act” or “Securities Act”), undertook an investigation into the securities activities of Miche D. Jean (“Jean” or “Respondent”); and

WHEREAS, on the basis of that investigation the Maryland Securities Commissioner (the “Commissioner”) determined that Respondent may have engaged in acts or practices constituting violations of the antifraud provisions of the Securities Act; and

WHEREAS, on September 17, 2022, the Commissioner issued an Order to Show Cause requiring Respondent to show cause why he should not be permanently barred from engaging in the investment advisory and securities business in Maryland, why his investment adviser representative and agent registrations with the State of Maryland should not be revoked, and why he should not be assessed a statutory penalty of \$5,000 per violation of sections 11-302(a)(1), (a)(2), and (a)(3), and 11-306 of the Securities Act, which order is incorporated by reference; and

WHEREAS, the Commissioner and Respondent have reached an agreement in this action whereby Respondent, without admitting or denying any findings of fact or conclusions of law except to admit to the jurisdiction of the Commissioner in this matter and over him in this matter, consents to the terms of this Consent Order; and

WHEREAS, Respondent waives his right to a hearing and any rights he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order.

## **I. JURISDICTION**

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-801 of the Securities Act.

## **II. RESPONDENT**

2. At all relevant times, Miche D. Jean has maintained a place of residence and a place of business in Montgomery County, Maryland.

3. Jean was associated with Morgan Stanley and registered as a broker-dealer agent in Maryland from December 23, 2015 to November 12, 2020, and as an investment adviser representative in Maryland from January 19, 2016 to November 12, 2020.

4. Jean was discharged from Morgan Stanley on November 12, 2020 for “concerns regarding employee's purported trading strategy for certain clients, whether employee exercised unauthorized discretion in certain accounts, and if employee communicated fully and timely with same clients regarding transactions.”

### III. FINDINGS OF FACT

5. Jean was one of two Morgan Stanley financial advisors assigned to a Liquidity Access Line account of an institutional client, TAG LLC. TAG LLC was owned by TG and/or PG, husband and wife, who had other individual securities accounts with Morgan Stanley.

6. As a financial advisor assigned to TAG LLC's account, Jean had access to the account number and routing information for TAG LLC's account.

7. On or about August 26, 2019, Jean used that account information to initiate a \$2,673.72 ACH transfer from TAG LLC's account to Discover by providing Discover with TAG's routing information and account number. The Discover account to which the payment was credited was Jean's personal credit card account.

8. Neither TG nor PG was aware of, or approved, the ACH transfer.

9. On three additional separate occasions, Jean initiated ACH transfers from TAG LLC's account in payment of his Discover credit card, as follows:

- a. \$2,714.22 on November 29, 2019;
- b. \$2,431.75 on December 24, 2019; and
- c. \$2,362.34 on February 10, 2020.

10. As with the first ACH transfer, neither TG nor PG was aware of, or approved, the additional ACH transfers.

11. In or about August 2020, Morgan Stanley flagged the transactions in the account and initiated an investigation into the transactions.

12. Finding that the transfers were not authorized by TG or PG and the transfers were initiated by Jean to pay his personal credit card debt, Morgan Stanley terminated Jean.

13. Morgan Stanley also reimbursed TAG LLC's account in the amount of the four ACH transfers.

#### **IV. CONCLUSIONS OF LAW**

The Commissioner concludes that:

14. Respondent violated sections 11-302(a)(1), (a)(2) and (a)(3), and 11-306 of the Act by fraudulently initiating four separate ACH transfers from a customer's brokerage account to pay for Respondent's personal Discover credit card, and by failing to disclose his fraudulent acts to his customer, who was unaware of the fraudulent transfers until later notified by Morgan Stanley.

15. Respondent violated sections 11-302(a)(1), (a)(2) and (a)(3), and 11-306 of the Act, and grounds exist under section 11-412(a)(2) of the Act to revoke Respondent's agent and investment adviser representative registrations in Maryland.

16. Respondent engaged in dishonest and unethical practices, as discussed above, and grounds exist under section 11-412(a)(7) of the Act to revoke Respondent's agent and investment adviser representative registrations in Maryland.

#### **V. SANCTIONS**

NOW THEREFORE, IT IS HEREBY ORDERED, and Respondent expressly consents and agrees:

17. Respondent shall permanently cease and desist from violating sections 11-302(a)(1), (a)(2) and (a)(3), and 11-306 of the Act.

18. Respondent is assessed a civil monetary penalty pursuant to section 11-702 of the Act in the amount of \$10,000 for the violations set forth in this Consent Order. Payment of the monetary penalty shall be made in two installments, as follows: \$5,000 contemporaneous with the

issuance of this Consent Order, and \$5,000 payable on or before December 1, 2022. Each check shall be made payable to the “Office of the Attorney General.”

19. Respondent is barred from engaging in the securities or investment advisory business in Maryland for or on behalf of any others, or from acting as principal or consultant in any entity so engaged.

20. Respondent’s registrations as an investment adviser representative and as an agent are revoked in Maryland as of the date of this Consent Order.

## **VI. JURISDICTION RETAINED**

21. Jurisdiction shall be retained by the Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Consent Order.

22. If Respondent fails to comply with any term of this Consent Order, the Commissioner may institute administrative or judicial proceedings against Respondent to enforce this Consent Order and or to sanction Respondent for violating an Order of the Commissioner, and may take any other action authorized under the Act or under any other applicable law, including the issuance of fines or penalties as provided by the Act. In any such proceeding, the Division may also seek other sanctions for the violations that initiated this matter. For the purpose of determining those sanctions, the Findings of Fact and violations of the Act set forth in this Consent Order shall be deemed admitted, and may be introduced into evidence against Respondent.

23. In the event that judicial intervention in this matter is sought by the Commissioner or Respondent, subject matter jurisdiction will lie in the Circuit Court for Baltimore City pursuant to section 11-702 of the Act. The Circuit Court for Baltimore City will have personal jurisdiction over that Respondent pursuant to section 6-103(b) of the Courts and Judicial Proceedings Article,

Title 6, Annotated Code of Maryland (2013 Repl. Vol. and Supp. 2020). Venue will be properly in that Court pursuant to Section 6-201(a) and 6-202(11) of that article.

24. The terms of this Consent Order may be vacated or modified only by a subsequent order issued by the Commissioner.

**SO ORDERED:**

**Commissioner’s Signature on File  
w/Original Document**

Date: November 15, 2022

\_\_\_\_\_  
Melanie Senter Lubin  
Securities Commissioner

**BY CONSENT:**

\_\_\_\_\_  
Miche D. Jean  
  
\_\_\_\_\_, 2022

Subscribed and sworn to before me  
this \_\_\_ day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Notary Public  
My Commission expires \_\_\_\_\_