

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009016028501

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

RE: [REDACTED] Respondent
Member
CRD No. [REDACTED]

Marcela Zamora Erana, Respondent
General Securities Principal
CRD No. 4450935

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, [REDACTED] and Marcela Zamora Erana ("Erana") submit 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 Respondents alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondents hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

[REDACTED] is based in Miami, Florida and has been a FINRA member firm since May 2002. [REDACTED] employs approximately eight registered personnel and six associated personnel. [REDACTED] conducts a general securities business, clearing its transactions through another member firm.

Erana became registered with FINRA as a Series 7 general securities representative on September 26, 2001. Subsequently, Erana obtained a Series 24 license. From 2001 through the present, Erana has been associated with [REDACTED] and during that time has served as its President and Chief Executive Officer.

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RELEVANT DISCIPLINARY HISTORY

Respondents have no prior disciplinary history.

OVERVIEW

Erana instructed a [REDACTED] registered representative not to execute various transactions in five customers' accounts, in violation of FINRA Rule 2010. In addition, [REDACTED] failed to file, or failed to file in a timely manner, with FINRA, statistical and summary information relating to seven customer complaints received by the firm, in violation of NASD Conduct Rule 3070 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Failure to Execute Violations

At various times throughout 2008, five [REDACTED] customers traded US Treasuries in their accounts. Each of these customer accounts were discretionary accounts, and were serviced by G.V., a registered representative of the firm. Each of these accounts employed a similar trading strategy of shorting US Treasuries, on margin, with the expectation that the prices of the US Treasuries would decline and, in turn, profits would be generated for the customers.

However, in late 2008, the price of US Treasuries increased. As the prices increased and margin calls occurred with greater frequency, the customers became concerned about continuing to invest in the US Treasuries shorting strategy. Nevertheless, in November 2008, each of the customers agreed to continue to short US Treasuries with the understanding that G.V. would closely monitor their positions and that if the prices continued to increase and reached a particular price, which varied by customer and was also dependent on their individual margin levels, G.V. would execute transactions in their accounts to cover the short positions to limit their losses.

Throughout the end of 2008 and into early 2009, the price of US Treasuries continued to rise. Eventually, in late December 2009 and January 2009, the price of US Treasuries reached and exceeded the prices at which G.V. had agreed to cover the short positions. However, G.V. failed to cover the short positions at the agreed upon prices after his supervisor Erana instructed him not to. By instructing G.V. not to execute the aforementioned transactions in each of the five customers' accounts, Erana violated FINRA Rule 2010.

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Rule 3070 Filing Violations

At various time periods between January 6, 2009 through May 1, 2009, [REDACTED] failed to file or failed to file in a timely manner, with FINRA, statistical and summary information relating to seven customer complaints received by the firm that were required to be reported under NASD Conduct Rule 3070. As a result of such conduct, [REDACTED] violated NASD Conduct Rule 3070 and FINRA Rule 2010.

B. [REDACTED] consents to the imposition of the following sanctions:

A censure and a \$7,500 fine.

Erana consents to the imposition of the following sanctions:

A \$5,000 fine and a one-month suspension from association with any FINRA member in all capacities.

Respondents agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Respondents have submitted Election of Payment forms showing the method by which they propose to pay the fines imposed.

Respondents specifically and voluntarily waives any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Erana 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, Erana 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 herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondents specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against them;
- B. To be notified of the Complaint and have the opportunity to answer the

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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, Respondents specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, 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 acceptance or rejection of this AWC.

Respondents 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

Respondents understand 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 them; and
- C. If accepted:
 - 1. this AWC will become part of Respondents permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against them;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondents' disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and

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the subject matter thereof in accordance with FINRA Rule 8313; and

4. Respondents 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. Respondents 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 Respondents' right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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 or its staff.

The undersigned, on behalf of [REDACTED] certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that [REDACTED] has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

Erana 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; that she has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce her to submit it.

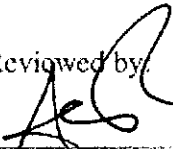
10/24/2011
Date (mm/dd/yyyy)

[REDACTED]
By: Marcela Zamora Erana
Marcela Zamora Erana
President & Chief Executive Officer

10/24/2011
Date (mm/dd/yyyy)

Marcela Zamora Erana
Marcela Zamora Erana

Reviewed by:

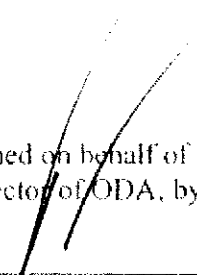


Alan M. Wolper, Esq.
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111 South Wacker Drive
Chicago, IL 60606
312-443-0401 Direct

Counsel for Respondents

Accepted by FINRA:

11/8/11
Date


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

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