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REGISTRATION & DISCLOSURE

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

V.

**Josue A. Villareal
CRD No. 4743080**

Respondent.

**DISCIPLINARY PROCEEDING
No. 2006006947101**

Hearing Officer: SW

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

May 5, 2008

INTRODUCTION

Disciplinary Proceeding No. 2006006947101 was filed on February 28, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA"). ("Complainant"). Respondent Villareal submitted an Offer of Settlement ("Offer") to Complainant on April 24, 2008. Pursuant to NASD Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to NASD Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of

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the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Josue A. Villarreal first became registered, as an investment company and variable contracts products representative, with FINRA member Farmers Financial Solutions, Inc. ("FFS"), in March 2004. Villarreal's registration with FFS was terminated on November 13, 2006, and his employment end date with FFS was October 13, 2006. Villarreal currently is not associated with a FINRA member and has no disciplinary history. Villarreal remains subject to FINRA's jurisdiction pursuant to Article V, § 4 of FINRA Bylaws.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. During the time period from approximately August 23, 2006, until approximately October 26, 2006, Respondent Villareal converted to his own use and benefit approximately \$6,083.05 he had received from insurance customers to pay their policy premiums, in violation of NASD Conduct Rule 2110, as alleged in the First Cause of Action.
2. Respondent Villareal failed to respond to the several staff Rule 8210 requests for information, in violation of NASD Conduct Rule 2110 and Procedural Rule 8210, as alleged in the Second Cause of Action.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct,

and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent Villareal be barred from association with any FINRA member firm in all capacities. Pursuant to IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

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



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