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FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080126960-01

REGISTRATION & DISCLOSURE

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

RE: Benjamin Ricciardi (CRD No. 5061598)

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Benjamin Ricciardi ("Ricciardi" or "Respondent") 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 (formerly known as NASD) will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

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ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Ricciardi first became registered with FINRA (formerly known as NASD) as a General Securities Representative ("GSR") on January 11, 2006 through his association with a member firm. From December 2006 through August 2007, he was registered as a GSR through his association with another member firm. From August 2007 through August 2008, Ricciardi was registered as a GSR with member firm MetLife Securities Inc. (BD No. 14251) ("MetLife" or the "Firm").

On August 15, 2008, MetLife filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") concerning Ricciardi. Ricciardi is not currently registered with FINRA or associated with a FINRA member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of its By-Laws.

Ricciardi does not have any disciplinary history with FINRA or any other self-regulatory organization, the U.S. Securities and Exchange Commission, or any state securities regulator.

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OVERVIEW

Ricciardi falsified the signatures of five customers in violation of Conduct Rule 2110.

FACTS AND VIOLATIVE CONDUCT

Ricciardi was registered with FINRA and employed by MetLife from August 2007 through August 2008. In connection with his sales of insurance/annuity products between September and December 2007, Ricciardi obtained multiple signed documents from five customers (MLWB, SR, ER, DN, and LS) but neglected to obtain their signatures on a few forms including, Policy Delivery Receipt, Broker Dealer Change Authorization, Annuity Application, Replacement Questionnaire, Fixed Life Insurance Application, and 1035 Exchange Form. With the goal of advancing the authorized purchases Ricciardi forged the signatures of the five customers on these forms between September 2007 and December 2007. Two of the customers (SR and ER) gave their consent to Ricciardi to sign their names on the forms.

By reason of the foregoing, Ricciardi violated NASD Conduct Rule 2110.

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

- A fine of \$10,000; and
- A suspension from associating with FINRA member firms in any and all capacities for six (6) months.

The fine shall be due and payable either immediately upon reassociation with a member firm following the six (6) month suspension noted above, 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 that he is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, he 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 NASD Rule 8310 and IM-8310-1.)

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against Respondent;
- B. To be notified of the Formal 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 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.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD 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 NASD 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 actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; 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.
- 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 he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent 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 Respondent to submit it.

12/7/08
Date

Benjamin Ricciardi
Benjamin Ricciardi
(CRD No. 5061598)

Accepted by FINRA:

April 6, 2009
Date

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

William St. Louis
William St. Louis
Deputy Regional Chief Counsel
FINRA
One Liberty Plaza
New York, New York 10006

These corrective action statements are submitted by respondent. They do not constitute factual or legal findings by FINRA nor do they reflect the views of FINRA or its staff.

I. All paperwork in question was presented to clients after the initial transgressions and were subsequently signed by the clients to make the paperwork now on file whole and complete as required.

II. As was required and followed before the incidents, Respondent met with his direct manager (also new to the company and unaware of exactly what was needed) and spoke with the corporate back office contact for each transaction about what paperwork was necessary. A new requirement after the fact was to also meet before and after client meetings with agency compliance officer Nancy Potts to make sure all necessary paperwork was accounted for. Due to the confusing nature of the MetLife way of doing business and the needed paperwork, even this did not produce perfectly submitted applications. Manager, compliance director, and back office advice did not always mesh and questions about exactly what was needed still persisted even after the incidents although no more transgressions happened.

These mitigation statements are submitted by respondent. They do not constitute factual or legal findings by FINRA nor does it reflect the views of FINRA or its staff.

I. The signature discrepancy on the 403B transfer for L.S. was submitted after the original application was signed in full but denied by MetLife due to a surrender charge on her old policy which still existed. This charge was disclosed to the client verbally at the client meeting and on the application in writing. She did agree that despite this charge the transfer to an annuity with downside protection was worth it since she felt the market was in for a huge decline and the protection of the new policy would be beneficial. Client would have paid a 4% surrender charge and had her principle guaranteed at the high water mark. The account is subsequently down over 40% YTD since this transfer was denied despite her signing off on it. The forged document was the replacement of that 1035 form that was internally denied by Met because of the surrender charge. After a discussion with the client, she wanted to at least allow her new money to go into a principle protected account so as to not suffer the same fate as the money MetLife would not allow her to move. MetLife's back office sat on the request because of the transfer denial and respondent signed the document in the client's best interest after discussing the denial and subsequent situation with the client by phone.

II. The Broker Dealer change discretion was on a MetLife internal form. This form was not required by the company (ING) that was managing the annuity before the change. As per the phone conversation with the management company, the paperwork was submitted which would allow the change. The change was not processed from the Met side due to the missing document which respondent signed for SR (his father). This was

needed by Metlife in addition to what the management company (ING) required and asked for in order to process the change. Respondent was unaware of the additional requirement at the time SR signed the change document since the management company did not require anything else and his manager did not know it was needed. In the fact gathering and signature meeting in which his manager was present, no mention of this form was ever made or known. Upon discovery of this additional requirement, respondent spoke with SR and was told to just go ahead and do what was needed to process it.

III. Respondent was again misinformed about what was necessary to process the 1035 of the business insurance for his father SR, his father's business partner DN, and his mother ER. The application was submitted in full with one copy of the 1035 paperwork since the paperwork required one copy "FOR EACH POLICY BEING REPLACED". Although the replacement insurance was for a combination of term and VUL insurance, only one old UL policy was being replaced. Metlife forms have room for a 2 for 1 exchange and the wording on the form required one copy of 1035 paperwork for EACH POLICY being replaced. The forms with the signature discrepancy's was a second copy of this same form which respondent was not told before hand was needed. The back office processing staff said 2 copies were required due to the fact that the policy was being replaced by a blend of two new policies despite the instructions of ONE FORM PER EACH POLICY BEING REPLACED which was followed. This was not how his manager or the company contact he spoke with explained it to the respondent. His manager was again present at this meeting and did not know of the requirement. The client again spoke with SR and was told to do what was needed to process the application according to the way it was discussed.

IV. Every client received the products they were pitched as discussed and illustrated. The problem with the signatures and paperwork needed to process the transactions did not change the nature of the transactions promised in any way. No trickery or product switching was done and every client is satisfied with the outcome of their business transaction. To the best of respondent's knowledge, no complaints were made about any of the products and the transgression dealt more with his lack of understanding of the paperwork necessary and not an attempt to put one over on the clients. The signatures were signed by respondent in order to expedite the processing and issuance of the stated products for the stated and agreed upon purposes. In each instance the signatures were on a missing form with the rest of the application being signed at the time the products were pitched.

V. In accordance with FINRA's disciplinary mandate to "Prevent future incidents" client wishes to have it taken into consideration that his former office of Metlife was extremely poorly run and many incidents of fraud have and continue to go unreported. Respondent was under duress to reach his sales quota of \$20,000 in Gross compensation to the firm in the required first 20 weeks of employment. He was told by both his manager and managing director that failure to do so would severely affect his ability to remain employed at the firm. Respondent was in a dire financial situation with a large school loan to pay off, credit card debt, and an upcoming wedding. He did not want

to miss his numbers as he was made to believe it would have meant his job. Respondent was even forced to take a large unneeded personal policy out on himself in his last few weeks of employment in order to make sure he did reach his quota. After respondent was on the other side of the 20 weeks did he realize that it would not have meant his job and the push to hit this quota was to ensure the bonus MetLife gives to his manager, managing director, and office for him making his new agent quota. He was told after that timeframe he was able to cancel his policy and take a negative on his compensation pool. This was and still is a fraudulent practice the office employs to pad the numbers of first year agents and the pockets of the managing director at the expense of the parent company. FINRA guidelines say that any policy taken out for a reason such as this is illegal, much as a life settlement is. The policy was not taken out for the purpose of insuring a life, but for the purpose of enriching the management and raising the overall production % of the office. Respondent never did cancel this policy because he felt he was duped into taking it out and could be subject to disciplinary actions if the true reason for it was ever known. He continued to pay for the policy up until he was forced out and could no longer afford the premium since he no longer had any income coming in. The application and medical were set up in a rushed manner by his direct manager at the bequest of the managing director in order for them to obtain the bonus. All the work sans respondents signature was filled out for him beforehand. Respondent tried to argue that he did not feel it was right and was again told that his job might be in jeopardy if he did not go along with it. If an inquiry is made, regulators will see a pattern of first year agents who have taken out large policies and canceled them promptly after the end of their first twenty weeks. In respondents time with the firm he would say this was the case with over 80% of new agents. Respondent does not contest he is not responsible for his own actions, but wishes to have this culture of bending the rules taken into consideration. As a new agent at the firm, you are made to believe that by listening to the powers in charge you can and will be able to make a good living and support yourself and your family. In actuality these practices were meant for the benefit of the management more than the financial industry education of the new agent. When coupled with the office training that included catch phrases like "fake it until you make it" and "learn to push higher margin products to make you rich", the needs of the clients are definitely not at the forefront of this office as they should have been. As a new agent struggling to build a business you feel a necessity to listen to those who are in charge in order to get ahead. Couple that with the fact that you were told that it was how everyone else was doing it and you felt like you were obligated in order to reach the numbers, keep your job, and be part of the team. As stated, respondent does not contest his responsibility for his actions, but in order to live up to FINRA's mandate to "PREVENT FUTURE INCIDENTS", the top level of the company and their actions need to be scrutinized and dealt with as severely as those of the underlings. Respondent felt like he was stuck between a rock and a hard place and had no choice but to comply. His feeling of guilt about this is evident by his continuance to pay the \$1000+ per month premium despite taking home less than \$16000 total in 2008.

In closing, Respondent does not wish to make excuses for his actions and wishes instead to own up to them and accept his punishment for these transgressions. Despite the pressure to get these accounts moved along and closed before his 20 week mark, respondent should have followed what he believed to be the right thing all along and not

allow that pressure to dictate his actions. This moment of weakness has been a thorn in his side ever since. It cost him his job, his integrity, and his future in this industry, as the \$10,000 fine is a near insurmountable amount to him at present. These statements are not meant to place blame anywhere else as it was his own choices that put him in this situation. This is merely a recounting of the facts and circumstances that led to the transgressions with the hope that no other new agent is forced by anyone to make the tough decisions which led to his demise. Thank you for your attention to both these mitigating circumstances and correction action statements. Respondent looks forward to your quick decision in the hopes he can put this bad situation behind him and try to move forward and create a new future for himself.

Sincerely,


Benjamin Ricciardi