

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

RECEIVED
2009 APR 17 P 7 46
REGISTRATION & DISCLOSURE

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

HILDA ASENCIO
(CRD No. 4209245),

RESPONDENT.

DISCIPLINARY PROCEEDING
No. 2008014573101

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between October 2005 and April 2008, Hilda Asencio ("Asencio"), while associated with a FINRA member firm, made unauthorized withdrawals, totaling approximately \$335,250, from customer LB's variable annuity and used the funds for personal benefit. By reason of the foregoing, Asencio violated NASD Conduct Rules 2330(a) and 2110.
2. Pursuant to NASD Procedural Rule 8210, FINRA staff sent Asencio two letters requesting information regarding the unauthorized withdrawal allegations. To date, she has failed to respond to the requests. By reason of the foregoing, Asencio violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

RESPONDENT AND JURISDICTION

3. From September 2002 through August 2008, Asencio was associated with member firm, Walnut Street Securities, Inc. (BD No. 15840)("Walnut Street"), a subsidiary of

000034108 2009

MetLife Securities, Inc. ("MetLife"). She was hired as support staff and her duties were primarily clerical, consisting of filing, processing forms, and answering telephones. On September 15, 2006, Asencio became a fingerprint person of Walnut Street but remained unregistered. From July 19, 1999 through September 7, 2001, she was a non-registered, associated person of another member firm.

4. On or about August 25, 2008, Walnut Street filed a Non-Registered Fingerprint Amendment (NRF Amendment) disclosing the termination.
5. Asencio is not currently associated with a FINRA member firm or registered in any capacity.

**FIRST CAUSE OF ACTION
CONVERSION
(NASD CONDUCT RULES 2330(a) AND 2110)**

6. The Department realleges and incorporates by reference paragraphs 1 through 5 above.
7. Asencio was an assistant to two brokers at the member firm and LB was the brokers' customer.
8. Between October 2005 and April 2008, there were thirteen withdrawals made in LB's name from his account, but without LB's knowledge and consent. By her own written admission, Asencio used the funds in LB's account because she was in financial distress. Asencio arranged to have the funds sent to her friend, GW, who, in turn, would cash the checks and forward the proceeds to Asencio. In this way, Asencio withdrew \$335,250, in total, from LB's variable annuity.

9. Asencio deposited these withdrawals from LB's account into her bank account from which she paid, among other personal expenses, the mortgage on her home.

By reason of the foregoing, Asencio violated NASD Rule 2330(a) and 2110.

**SECOND CAUSE OF ACTION
FAILURE TO RESPOND
(NASD PROCEDURAL RULE 8210 AND NASD CONDUCT RULE 2110)**

10. The Department realleges and incorporates by reference paragraphs 1 through 9 above.

The First Request

11. In connection with the allegations listed above in paragraphs 1 through 10, the staff of FINRA's District No. 10 office (the "Staff") made a written request for information and documents from Asencio, pursuant to NASD Procedural Rule 8210 ("First Request").
12. The Staff sent the First Request to Asencio on October 8, 2008 via certified mail, return receipt requested and via first-class mail to Asencio's residential address as listed on her Uniform Application for Securities Industry Registration or Transfer (Form U4), [REDACTED] ("Residential Address"). There is no address listed on her Composite Information page in the Central Registration Depository ("CRD").
13. The certified mailing to the Residential Address was returned to the Staff by the United States Postal Service ("USPS"), marked "return to sender, unclaimed, unable to forward". The first class mailing was not returned.
14. Asencio failed to respond to the First Request.

The Second Request

15. The Staff sent a second request to Asencio on October 21, 2008 via certified mail, return receipt requested and via first-class mail to the Residential Address, requesting that Asencio produce documents and information, pursuant to NASD Procedural Rule 8210 ("Second Request").
16. The certified mailing was returned by USPS, marked "return to sender, unclaimed, unable to forward". The first-class mailing was not returned.
17. Asencio failed to respond to the Second Request.

By reason of the foregoing, Asencio violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

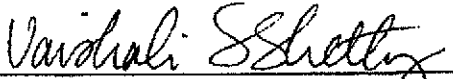
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed.
- B. order that Asencio bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

Date: April 16, 2009

FINRA DEPARTMENT OF ENFORCEMENT


Vaishali S. Shetty, Senior Regional Counsel
David Jaffe, Regional Chief Counsel
Jon S. Batterman, Deputy Regional Chief Counsel
FINRA Department of Enforcement
Two Jericho Plaza, 2nd Floor
Jericho, New York 11753
(516) 949-4237; Fax No. (516) 949-4201
vaishali.shetty@finra.org