

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100211187-01**

RECEIVED

NOV 12 2012

FINRA
SAN FRANCISCO DISTRICT OFFICE

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

RE: Arthur M. Quintero, Respondent
General Securities Representative, Municipal Securities Principal, Financial and
Operations Principal
CRD No. 1676250

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I 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

Arthur M. Quintero first became associated and registered with a FINRA member broker-dealer in January 1989. After leaving that firm in February 1991, Respondent was associated in registered capacities with approximately 26 broker-dealers in various representative and principal capacities until February 1, 2005, when he became registered through former FINRA member White Pacific Securities (WPS). At various times while associated with WPS, Respondent was registered as a General Securities Representative, General Securities Principal, Municipal Securities Principal, Options Principal, Financial and Operations Principal, Investment Banking Representative and General Securities Sales Supervisor. Respondent's association with WPS ended on March 5, 2012. On or about August 27, 2010, while associated with WPS, Respondent became dually-registered with another FINRA member broker-dealer (current employer firm) as a Financial and Operations Principal. On or about November 22, 2011,

Respondent registered with that firm as a General Securities Representative and Municipal Securities Principal. As of the date hereof, Respondent remains registered with the current employer firm in such capacities.

RELEVANT DISCIPLINARY HISTORY

In 2000, Respondent submitted a Letter of Acceptance, Waiver and Consent in which he consented to findings that he did not comply with NASD Conduct Rule 3070 with respect to state registration violations and to the imposition of a \$5,000.00 fine.

OVERVIEW

Respondent was the supervisor of the WPS employee responsible for the preparation and submission to FINRA of Forms U4 and U5 and information required by NASD Rule 3070, which was recodified as FINRA Rule 4530 on July 1, 2011. Respondent failed to supervise the employee in a manner reasonably designed to achieve compliance with applicable rules.

FACTS AND VIOLATIVE CONDUCT

1. Late Regulatory Reporting

Arbitration Actions: Between on or about December 12, 2008, and on or about September 24, 2011, WPS received notice of three arbitration claims. The first claim named, among other respondents, WPS registered representatives PN and EG. The second claim named WPS, PN and BN; the third claim named WPS and PN. EG's association with WPS was terminated effective December 31, 2008. At the time WPS received the second and third claims, PN and BN were no longer associated with the firm. On or about August 2, 2010, an award in the first arbitration proceeding was served. The award required payment by certain respondents, including WPS, to the claimants. The payment was made on or about February 28, 2011.

Reporting Information: As a result of the foregoing arbitration claims and the award issued in connection the first claim, WPS was required to submit multiple amendments to the registered representatives Forms U4 and U5 and report the award pursuant to NASD Conduct Rule 3070, subsequently recodified as FINRA Rule 4530. WL, an associated person of WPS, was responsible for the submission of Forms U4 and U5 and amendments thereto. WL was also responsible for submission of reports required under NASD Rule 3070, which was recodified as FINRA Rule 4530 on July 1, 2011. Respondent was WL's supervisor and the

WPS principal responsible for regulatory reporting. The required submissions and reports were not submitted timely as set forth below.

Occurrence	Discovery Date	Submission Required	Due Date	Date Submitted	No. of Days Late
Arbitration Claim 1	December 12, 2008	U4 Amendment for PN	January 11, 2009	May 20, 2009	128
		U5 Amendment for EG	January 11, 2009	September 9, 2010	605
Arbitration Claim 2	September 12, 2010	U5 Amendment for PN	October 12, 2010	June 8, 2011	226
		U5 Amendment for BN	October 12, 2010	June 8, 2011	226
Arbitration Claim 3	September 24, 2010	U5 Amendment for PN	October 24, 2010	June 8, 2011	214
Arbitration Award	Not later than February 28, 2011	Reports per NASD Rule 3070 (on or before June 30, 2011) and FINRA Rule 4530 (on or after July 1, 2011)	March 14, 2011	October 11, 2011	210

2. Supervision

Form U4 and U5 Amendments: Respondent had principal responsibility for WPS's regulatory reporting and supervised WL's reporting activity. Between November 2, 2010, and April 25, 2011, FINRA staff noted to Respondent on at least 3 occasions that the U5 amendments required as a result of Arbitration Claims 2 and 3 had not been submitted. Respondent did not cause WL to submit, or follow up to ensure that WL submitted, the required amendments. Respondent thereby failed to supervise WL in a manner reasonably designed to achieve compliance with Article V, Section 2 of the FINRA By-Laws and violated NASD Conduct Rule 3010 and FINRA Rule 2010.

NASD Rule 3070 or FINRA Rule 4530 Reporting: With regard to the Arbitration Award, FINRA staff noted to Respondent on or about July 8, 2011, and on or about September 7, 2011, that the Award should have been reported to FINRA pursuant to NASD Rule 3070(a) (during the period from March 14, 2011, through June 30, 2011) or FINRA Rule 4530 (on or after July 1, 2011). On or about July 21, 2011, Respondent acknowledged his intention to cause the award to be reported; however, he did not cause WL to submit, or follow up to ensure that WL

submitted, the required reports until October 11, 2011. Therefore, Respondent did not supervise WL in a manner reasonably designed to achieve compliance with NASD Conduct Rule 3070 and FINRA Rule 4530, in violation of NASD Conduct Rule 3010 and FINRA Rule 2010.

B. I also consent to the imposition of the following sanctions:

A suspension from association with any member of FINRA in a principal capacity for a period of 10 business days and a fine in the amount of \$5,000.00.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member in a principal capacity, I become 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, I may not be associated with any FINRA member in a principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because I am subject to a statutory disqualification during the suspension, if I remain associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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

I understand that:

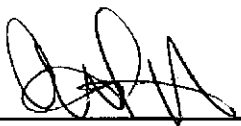
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 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 FINRA Rule 8313; and

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

D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have 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 me to submit it.

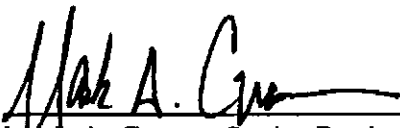
11/04/2012
Date (mm/dd/yyyy)


Arthur M. Quintero

Accepted by FINRA:

11/19/2012
Date

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


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