

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100225450**

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

RE: Harmik Sarian ("Sarian"), Respondent
Former Registered Representative
CRD No. 4333116

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Sarian 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 will not bring any future actions against Sarian alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Sarian 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

Sarian was born in [REDACTED]. Sarian began his employment in the securities industry in January 2001. In March 2003, Sarian joined Pruco Securities, LLC (the "Firm"), where he was employed in a registered capacity until his termination on or about April 9, 2010. Although Sarian is not currently employed in the securities industry, FINRA retains jurisdiction over Sarian pursuant to Article V, Section 4(a) of the By-Laws because the conduct that serves as the basis for this action commenced prior to his termination of registration from a FINRA-regulated broker-dealer, and this AWC has been filed within two years after the effective date of Sarian's last termination of registration from a FINRA-regulated broker-dealer.

RELEVANT DISCIPLINARY HISTORY

Sarian has no relevant disciplinary history.

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OVERVIEW

Sarian, a former registered representative with the Firm, impersonated four customers via telephone in order to effect transactions in their accounts during the period January 2008 through September 2009 (the "Relevant Period"). Sarian also signed his brother's name on a brokerage account withdrawal form in January 2009 in order to effect a transaction in his brother's account. Such conduct was meant as an accommodation to customers.

FACTS AND VIOLATIVE CONDUCT

According to the Firm, Pruco Command Operations (the Firm's retail securities brokerage account platform) notified the Firm that on May 11 and June 19, 2009, it had received two calls from an individual identifying himself as customer "HD" to request a securities purchase. Pruco Command Operations had previously received two calls from Sarian regarding trades for his own account. As part of its call monitoring process, Pruco Command Operations reviewed the call tapes and found that Sarian's voice sounded the same as the voice of the individual identifying himself as customer HD. As a result, the Firm initiated an internal review and determined that during the period of July 2008 through September 2009, Sarian had called Pruco Command Operations and had also identified himself as customers "HM" and "RS." The Firm's review also detected an instance where Sarian called the Life Customer Service Office of the Firm in June 2008 and identified himself as customer "PC".

Customer HD

On at least nine occasions between January 2008 and June 2009, Sarian called Pruco Command Operations and impersonated HD, where he requested buy or sell orders for HD.

Customer HM

On at least ten occasions between October 10, 2008 and September 3, 2009, Sarian called Pruco Command Operations and impersonated HM and initiated trades for HM's account.

Customer RS

Sarian called Pruco Command Operations on January 21, 2009 and identified himself as RS, Sarian's brother, to request the status of a \$60,000 withdrawal request. Sarian was told that an incorrect withdrawal form had been submitted and that a corrected form would need to be completed to be processed. Sarian stated he would submit a revised form.

Sarian thereafter called RS in Eastern Europe and, upon his brother's consent, transposed the information from the original form onto a new form, signed it for RS, and faxed it to the Firm for processing on January 21, 2009. The Firm's forensic document examiner detected that the new form included a signature of RS that did not match to known signatures for this customer.

Customer PC

On June 24, 2008, Sarian called the Firm's Life Customer Service Center and impersonated PC to request a policy surrender form for one of the insurance policies that PC owned.

As detailed above, Sarian impersonated four customers over the telephone in order to effect transactions in their accounts. He also signed his brother's name on a brokerage account withdrawal form in order to effect a transaction in his brother's account. By engaging in such conduct, Sarian failed to conduct himself with high standards of commercial honor, thereby violating NASD Conduct Rule 2110 and FINRA Rule 2010.¹

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

1. A 90-day suspension; and
2. A fine in the amount of \$6,000.

Sarian agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Sarian has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Sarian specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

Sarian understands that if he is barred or suspended from associating with any FINRA member, Sarian 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, Sarian 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).

¹ For the period January 2008 to December 14, 2008, Sarian's violative conduct constitutes a violation of NASD Conduct Rule 2110, and for the period after December 15, 2008, this violative conduct also constitutes a violation of FINRA Rule 2010, both of which require that an associated person observe high standards of commercial honor and just and equitable principles of trade. See FINRA Regulatory Notice 08-57, which describes certain changes to FINRA's rules including the change of NASD Rule 2110 to FINRA Rule 2010, effective December 15, 2008.

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against him;
- 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, Sarian 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.

Sarian 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

Sarian 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 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 him; and
- C. If accepted:
1. this AWC will become part of his permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Sarian;
 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Sarian's 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. Sarian 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. Sarian 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 Sarian's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Sarian may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Sarian 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.

Sarian 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 he 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 him to submit it.

9/4/2011
Date (mm/dd/yyyy)


Respondent

September 20, 2011
Date

Accepted by FINRA:
Signed on behalf of the
Director of ODA, by delegated authority

Susan Light

Susan Light
Senior Vice President and Chief Counsel
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