

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

Department of Enforcement,

Complainant,

v.

**Richard De Mesa Garrido
(CRD No. 2137549),**

Respondent.

**Disciplinary Proceeding
No. 20100242998-01**

Hearing Officer: Maureen A. Delaney

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: June 12, 2012

INTRODUCTION

Disciplinary Proceeding No. 20100242998-01 was filed on March 12, 2012, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Richard Garrido submitted an Offer of Settlement (Offer) to Complainant dated June 10, 2012. Pursuant to FINRA 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 FINRA 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 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

Garrido entered the securities industry in 1991, and holds Series 6 and 63 licenses. Respondent was employed as a registered representative with MML Investors Services, Inc. ("MML" or the "Firm") from January 2002 through October 2010. Respondent has not been employed in the securities industry since his termination from the Firm on October 8, 2010.

Although Respondent is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Respondent's registration with MML, namely, October 8, 2012 and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FINDINGS AND CONCLUSIONS

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

Customer MM – Commingling Funds

From 2003 through 2010, Garrido serviced the account of customer MM and her husband. In 2008, after her husband died, customer MM contacted Garrido to help her establish a financial plan for the money she received from her husband's life insurance and pensions. MM purchased two policies from Garrido, a variable life policy, and a universal life policy.

On or about November 2009, Garrido contacted MM to remind her that it was time to pay her premiums for the policies. Garrido instructed MM to give him a check in the amount of \$2,300 made payable to him and represented to MM that he would pay the premiums for her life insurance policies. MM gave Garrido a \$2,300 check, dated November 13, 2009, from her personal bank account made payable directly to him, which Garrido deposited into his personal bank account.

In July 2010, MM complained to the Firm that Garrido had her write a check in the amount of \$2,300 for her insurance premiums and that the premiums were not applied to the policies. At the time of her complaint, the variable life policy was no longer active and the universal life policy was about to lapse as no payment had been made. After MM complained to the Firm, Garrido returned the money to MM.

Failure to Disclose Liens

On or about February 15, 2008, a \$7,500 lien (the "2008 lien") was filed against Garrido in Chino Municipal Court in San Bernardino County California by FDM. Garrido never disclosed the lien to the Firm.

On or about April 28, 2009, the IRS filed a federal tax lien (the "2009 lien") against Garrido in San Bernardino County California in the amount of \$23,647. Garrido never disclosed the lien to the Firm.

Garrido failed to amend his Form U4 to disclose the 2008 lien and the 2009 lien, information he was required to disclose in response to Question 14M on the Form U4. Disclosure of liens filed against a registered individual is material to FINRA's ability to evaluate

the fitness of individuals seeking entry to or continued employment in the securities industry, as well as the Firm's ability to screen current employees.

Failure to Provide Information

By letter dated May 31, 2011 (the "May 31st Letter"), Enforcement made a written request to Garrido pursuant to FINRA Rule 8210, sent via Certified Mail and First Class U.S. Mail to Garrido's last known home address, as reflected in Central Registration Depository ("CRD") (the "CRD Address"), requiring Garrido to provide certain documents and information no later than June 21, 2011. The May 31st Letter warned Garrido that failure to provide the information could expose him to disciplinary sanctions, including a permanent bar from the securities industry.

The First Class mail was not returned, and FINRA received the returned Notice of Delivery signed by Garrido dated June 6, 2011. Garrido never responded to the May 31st Letter.

On November 15, 2011, Enforcement made a second written request (the "November 15th Letter") to Garrido pursuant to FINRA Rule 8210, sent via Certified Mail and First Class U.S. Mail to Garrido's CRD Address. The November 15th Letter informed Garrido that the due date for his response to the May 31st had passed and required him to submit the requested information no later than November 25, 2011. The November 15th Letter warned Garrido that failure to comply with FINRA's requests could result in sanctions against him, including a permanent bar from the securities industry.

The First Class Mail was not returned, and on December 13, 2011 the Certified Mail was returned marked Unclaimed. Garrido never responded to either the May 31st Letter or the November 15th Letter as required.

Based on the foregoing, Respondent violated NASD Rule 2110, FINRA Rules 8210 and 2010, and IM-1000-1.

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

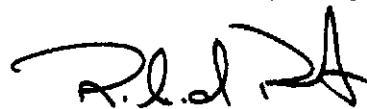
It is ordered that Respondent be barred from association with any FINRA Member Firm in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(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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