

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2010025513101**

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

**RE:** TriCor Financial, LLC, Respondent  
Member Firm  
CRD No. 142518

Frank Aguilar, Respondent  
General Securities Representative and General Securities Principal  
CRD No. 2296920

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

**I.**

**ACCEPTANCE AND CONSENT**

- A. Respondents 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**

TriCor Financial, LLC (TriCor or the Firm) has been a FINRA member since April 23, 2007 and its registration remains effective. Its main office is in Las Vegas, Nevada. TriCor currently has seven branch offices and 27 registered representatives. The firm conducts a general securities business.

Frank Aguilar first became registered with a FINRA through a FINRA member firm as a General Securities Representative from November 23, 1992 to July 12, 1999, as a General Securities Sales Supervisor from December 23, 1992 to July 12, 1999, and as a Government Securities Principal and Government Securities

Limited Representative from April 7, 1995 to July 12, 1999. Since that time, he has been registered with FINRA through several member firms in various capacities. From April 23, 2007 to the present, Aguilar has been registered with TriCor as a General Securities Representative and as a General Securities Principal.

### **RELEVANT DISCIPLINARY HISTORY**

Aguilar has no relevant disciplinary history.

On October 15, 2009, the State of Nevada, Securities Division issued an Administrative Consent Order against TriCor for allowing an unlicensed sales assistant to accept a customer order for submission of execution by the Firm. TriCor was fined \$5,000 and ordered to pay investigative costs of \$1,000.

### **OVERVIEW**

TriCor, acting through Aguilar, failed to file with FINRA an application for approval of a change in equity ownership at least 30 days prior to a 25% change in the indirect ownership equity of the Firm. As a result, TriCor and Aguilar violated NASD Membership and Registration Rule 1017 and FINRA Rule 2010.

### **FACTS AND VIOLATIVE CONDUCT**

Frank Aguilar is the President, Chief Compliance Officer and the Managing Member of TriCor. TriCor is 100% owned by TriCor Financial Services, LTD., a holding company (TFS).

On or about September 10, 2009, SP LLC, a third party entity, purchased 20% of the equity of TFS for a total of \$1,000,000.00. Based on the acquisition of 20% of the equity of TFS, SP LLC became a 20% indirect equity owner of TriCor.

On or about January 27, 2010, SP LLC purchased an additional 5% of the equity of TFS for a total of \$250,000.00. SP LLC's purchase of an additional 5% of the equity of TFS caused SP LLC to become a 25% owner of TFS, and thereby, a 25% indirect equity owner of TriCor.

TriCor, acting through Aguilar, failed to file an application for approval of the change of ownership with FINRA at least 30 days prior to a change in ownership in which SP LLC become a 25% indirect equity owner of the Firm. As a result, Respondents violated NASD Membership and Registration Rule 1017 and FINRA Rule 2010.

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

1. TriCor is censured;
2. Aguilar is suspended from associating with any FINRA member in any principal capacity for two months; and
3. TriCor and Aguilar are jointly and severally fined \$15,000.00.

Respondents agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondents have each submitted an Election of Payment form showing the method by which they propose to pay the fine imposed.

Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

Respondent Aguilar understands that if he is barred or suspended from associating with any FINRA member in a principal capacity, he 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, Respondent Aguilar may not be associated with any FINRA member in any principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because Respondent Aguilar is subject to a statutory disqualification during the suspension, if he remains 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

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

- A. To have a Complaint issued specifying the allegations against them;
- 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, Respondents 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.

Respondents 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**

Respondents 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 them; and
- C. If accepted:
  - 1. this AWC will become part of Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against them;
  - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondents' 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. Respondents 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. Respondents 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 Respondents' right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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

Respondents TriCor and Aguilar certify that they have read and understand and the undersigned, on behalf of TriCor, certifies that a person duly authorized to act on Firm's behalf has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that they 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 them to submit it.

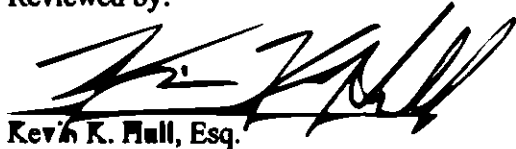
10/20/11  
Date (mm/dd/yyyy)

[Signature]  
TriCor Financial, LLC, Respondent  
By: Frank Aguilar, President and Managing  
Member

10/20/11  
Date (mm/dd/yyyy)

[Signature]  
Frank Aguilar

Reviewed by:

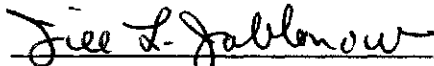


Kevin K. Hull, Esq.  
Counsel for Respondents  
Hull Evans & Kob LLP  
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Santa Ana, CA 92705  
949.478.4855

Accepted by FINRA:

11/4/2011  
Date

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



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FINRA  
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NO. 2010025513101

**CORRECTIVE ACTION STATEMENT**

This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

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

RE: TriCor Financial, LLC  
CRD No. 142518

Without admitting or denying the findings, and solely for the purposes of this proceeding, prior to a hearing and without an adjudication of any issue of law or fact, TriCor Financial, LLC ("TriCor" or the "firm") submits this Corrective Action Statement for the purpose of presenting demonstrable steps taken to correct FINRA's finding that TriCor failed to file an application for approval of a change of ownership at least 30 days prior to a third party becoming a 25% indirect equity owner of the firm.

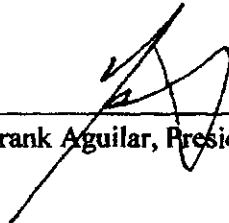
Upon meeting and conferring with FINRA staff, TriCor agreed to withdraw a pending Continuing Membership Application (CMA) seeking adjustments to its membership agreement for expansion and alteration of the firm's business.

Second, as offered during the investigation process, TriCor agrees to file a new CMA seeking approval for the change in ownership. TriCor will seek to cause the third-party owner to execute its option to acquire an extra 1% indirect ownership of the firm. To comply with the notification requirement in NASD Rule 1017(a)(4), the exercise of the option will be planned for at least 30 days after the filing of the new CMA seeking approval for the change. TriCor agrees that the CMA for this ownership change will be stand-alone in that there will be no other changes requested in this CMA.

Following approval of the change-of-ownership CMA (or upon earlier receipt of permission from FINRA staff), TriCor expects that it will file another CMA seeking FINRA approval to expand and alter the firm's business. TriCor understands that both CMAs will be subject to the stated requirements in Rule 1017 and the related requirements of Rule 1014.

Respectfully submitted,

TriCor Financial, LLC

|      |                                                                                    |                              |
|------|------------------------------------------------------------------------------------|------------------------------|
| Date | 10/20/11                                                                           | By: Frank Aguilar, President |
|      |  |                              |