

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

ERIK ALONSO VEGA
(CRD No. 5849735),

Respondent.

DISCIPLINARY PROCEEDING
No. 2011026004801

Hearing Officer – LBB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: May 30, 2012

INTRODUCTION

Disciplinary Proceeding No. 2011026004801 was filed on March 9, 2012, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Erik Alonso Vega submitted an Offer of Settlement (Offer) to Complainant dated May 14, 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

From September 27, 2010 through January 6, 2011, Vega was associated with FINRA member Wells Fargo Investments, LLC ("WFI" or "Firm"). On September 29, 2010, Vega executed a Form U4 Uniform Application for Securities Industry Registration or Transfer which his Firm filed on October 21, 2010. Vega obtained an Investment Company Products/Variable Contracts (Series 6) license on November 1, 2010. He remained registered as a Series 6 representative until his termination from WFI on January 6, 2011.

FINDINGS AND CONCLUSIONS

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

FIRST CAUSE OF ACTION

Participation in an Undisclosed Outside Business Activity
(NASD Conduct Rule 3030 and FINRA Rules 3270 and 2010)

In September 2009, Vega obtained a business license to engage in a wholesale car sales business entitled, Vega Auto Sales. From November 1, 2010 through January 6, 2011, Vega engaged in transactions involving more than \$48,000.00 on behalf of Vega Auto Sales.

Vega failed to provide his Firm with any notice at all, including written notice, of his Vega Auto Sales activities.

As to conduct occurring from November 1, 2010 through December 14, 2010, Vega's failure to provide prompt written notice to the Firm violated NASD Conduct Rule 3030 and

FINRA Rule 2010. As to conduct occurring from December 15, 2010 through January 6, 2011, Vega's failure to provide prior written notice to the Firm violated FINRA Rules 3270 and 2010.

SECOND CAUSE OF ACTION
Failure to Respond to Requests for Information
(FINRA Rules 8210 and 2010)

On February 7, 2011, after receipt of a Form U5 in which Vega's former Firm alleged that Vega "made six (6) separate deposits into his personal checking accounts over a two month period. Each of the deposits were [sic] withdrawn shortly after the deposit to purchase . . . cashier's checks," FINRA staff sent Vega a preliminary inquiry, pursuant to Rule 8210, seeking a statement addressing the Firm's allegation.

On February 22, 2011, Vega responded and explained, among other things, that the deposits represented proceeds from his side business, Vega Auto Sales, a wholesale auto dealer, and that the cashier's checks were payable to an online salvage auto auction.

The staff determined that Vega's February 22, 2011 response merited further investigation. Accordingly, on August 18, 2011, FINRA staff sent Vega a request for information ("First Request"), pursuant to FINRA Rule 8210, seeking information about his outside business activities and, in particular, his involvement with Vega Auto Sales. Among other things, the First Request sought information and documents about the business that Vega conducted through Vega Auto Sales, his disclosures to his employer-firm, if any, about his involvement with Vega Auto Sales, as well as bank account statements and tax returns.

This First Request was sent by first class and certified mail to Vega's CRD residential address of record, [REDACTED] Vega's response was due no later than September 1, 2011. Vega did not respond at all to the First Request.

On September 27, 2011, FINRA staff sent Vega a Second Request, pursuant to Rule 8210, seeking the same information. The Second Request was sent by first class and certified mail to Vega's CRD residential address of record and an alternate address [REDACTED]

[REDACTED] Vega's response was due no later than October 11, 2011.

The Second Request letters sent by first class mail to Vega's CRD address and to the alternate address were not returned. The staff received return receipts for the certified letters, signed by "Yesenia Vega," and dated September 28, 2011. Vega did not respond at all to the Second Request.

Based on the foregoing, Respondent Vega violated FINRA Rules 8210 and 2010.¹

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 suspended for seven months from associating with any FINRA member in any capacity and fined in the amount of \$5,000.00.

The fine shall be due and payable either immediately upon reassociation with a member firm following the seven-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

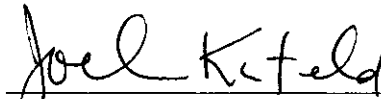
¹ Vega contacted the staff shortly after the Complaint was filed and addressed the questions that were the subject of the August and September 2011 Requests for Information.

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

SO ORDERED.

FINRA

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

A handwritten signature in black ink, reading "Joel Kornfeld". The signature is written in a cursive style with a horizontal line underneath it.

Joel T. Kornfeld, Senior Regional Counsel
FINRA Department of Enforcement
300 S. Grand Avenue, Suite 1600
Los Angeles, CA 90071
(213) 613-2643; Fax: (213) 617-1570
Email: joel.kornfeld@finra.org