

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011026089402**

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

RE: Alberto Neira, Respondent
CRD No. 2658649

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent 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 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

Respondent Alberto Neira entered the securities industry as a registered representative in 1995 and worked at various registered firms before associating with Linsco Private Ledger (LPL) in February 2002. Respondent remained at LPL until his termination in January 2011. LPL filed Respondent's Form U5 on January 18, 2011, disclosing his termination for "failure to fully disclose participation in outside business activity and selling away in violation of firm policies." FINRA retains jurisdiction over Respondent for purposes of this proceeding pursuant to Article V, Section 4 of the By-laws.

OVERVIEW

Beginning in 2006, Respondent became engaged with an outside business activity at Silver Oak Leasing, Inc. ("Silver Oak"), a California corporation purportedly involved in providing automobile financing and leasing services. Respondent failed to fully disclose his involvement in the outside business activity, including that he was acting as a director of Silver Oak.

Respondent thereby violated NASD Rules 3030 and 2110 and FINRA Rules 3270¹ and 2010. Between July 1, 2008, and January 18, 2011 (the relevant period), Respondent also recommended investments in Silver Oak to 14 customers. He did so without disclosure to his firm, in violation of NASD Rules 3040 and 2110 and FINRA Rule 2010.² Finally, during the course of this investigation, Respondent failed to timely respond to staff requests for information and testimony. As a result, Respondent violated FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

Respondent Failed to Fully Disclose Outside Business Activities

Silver Oak was incorporated in California in 2006 and claimed to be involved in providing automobile financing and leasing services. At some point in 2006, Respondent disclosed to his firm that he was a passive investor in Silver Oak. However, Respondent failed to disclose that he was also a director of Silver Oak, holding positions over time which included Secretary of the Board. By 2009, Respondent owned 55% of the common stock of Silver Oak. For his services to Silver Oak, Respondent received a salary (of approximately \$5,000 beginning in 2009) and other compensation. Silver Oak paid Respondent \$180,000 in compensation in 2009 and over \$250,000 in 2010. Respondent did not disclose to his firm that he was a member of Silver Oak's board or that he received compensation from Silver Oak. By failing to fully disclose his outside business activities with Silver Oak between June 1, 2006, and January 18, 2011, Respondent violated NASD Rules 3030 and 2110 and FINRA Rules 3270 and 2010.

Respondent Sold Securities Away from his Firm

Between July 1, 2008, and January 18, 2011, Respondent made recommendations that resulted in over \$2 million in investments in Silver Oak to at least 14 firm customers. These investments included stock and promissory notes. The customers understood that the invested funds were to raise money for the general use of Silver Oak's business enterprise. The sales were conducted privately and not through Respondent's employing firm. Respondent failed to disclose these securities transactions to his firm.

Most of Respondent's customers who invested funds in Silver Oak received promissory notes with maturity dates ranging from 11 months to 96 months. During the relevant period, Respondent also recommended preferred stock in Silver Oak which was purchased by two customers.

As set forth above, Silver Oak paid Respondent \$180,000 in compensation in 2009 and over \$250,000 in 2010. Consequently, Respondent violated NASD Rules 3040 and 2110 and FINRA Rule 2010.

¹ On December 15, 2010, NASD Rule 3030 became FINRA Rule 3270.

² On December 15, 2008, NASD Rule 2110 became FINRA Rule 2010.

Failure to Respond to Staff Requests for Information

Enforcement Staff sent a request for information to Respondent pursuant to Rule 8210 on February 1, 2012. Staff sent the request to Respondent's CRD address, with a due date of February 15, 2012. Respondent failed to respond. On February 17, 2012, Enforcement Staff sent a second request for information pursuant to Rule 8210 with a due date of March 2, 2012. Again, Respondent failed to respond.

On June 11, 2012, Staff initiated a proceeding pursuant to Rule 9552 based on Respondent's failure to respond to the Rule 8210 requests. Respondent was notified as a part of that proceeding that he would be suspended for his failure to comply with the February 1 and 17 requests for information unless he provided a response. On June 27, 2012, more than 4 months after the initial due date, Respondent submitted a partial response.

By failing to respond fully and in a timely manner to the Rule 8210 requests, Respondent violated FINRA Rules 8210 and 2010.

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

A bar from the securities industry.

Pursuant to FINRA Rule 8313(e), a bar shall become effective upon approval or acceptance of this AWC.

I understand that if I am barred or suspended from associating with any FINRA member, 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 any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

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.

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.

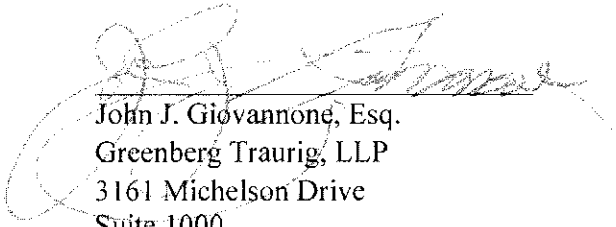
11/12/12

Date (mm/dd/yyyy)



Alberto Neira, Respondent

Reviewed by:



John J. Giovannone, Esq.

Greenberg Traurig, LLP

3161 Michelson Drive

Suite 1000

Irvine, CA 92612

T 949.732.6500

F 949.732.6501

Accepted by FINRA:

Dec. 4, 2012
Date

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

Thomas Lawson

Thomas Lawson
Vice President and Chief Counsel
FINRA Department of Enforcement
15200 Omega Drive, Suite 300
Rockville, MD 20850-3241