

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

**FRANCISCO RODRIGUEZ (CRD No.
2784002),**

RESPONDENT.

**DISCIPLINARY PROCEEDING
No. 2011027345701**

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In June 2009, a customer of registered representative Francisco Rodriguez gave Rodriguez \$10,000 from his brokerage account to invest in, or make a loan to, a construction firm owned by Rodriguez's brother. Rodriguez kept \$5,000 of the money himself. By converting his customer's funds, Rodriguez violated NASD Rule 2330 and FINRA Rule 2010.

RESPONDENT

2. Francisco Rodriguez (CRD 2784002) is a 44 year old resident of Illinois. He joined the securities industry with PFS Investments, Inc. in February 1996, left the firm in March 1999, rejoined the firm in June 2000, and remained with the firm until he was fired for the conduct described below on April 13, 2011. He has been registered as a Series 6 (Investment Company and Variable Contract Products Representative), Series 26 (Investment Company and Variable Contract Products Principal), and Series 63 (state agent registration).

3. Although Rodriguez has not been associated with a FINRA member firm since April 13, 2011, he remains subject to FINRA's jurisdiction for purposes of this proceeding pursuant to

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Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint is being filed within two years after the date upon which he ceased to be associated with a FINRA member and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member.

FIRST CAUSE OF ACTION

Conversion of Customer Funds (NASD Rule 2330; FINRA Rules 2010)

4. Paragraphs 1-3 are repeated and realleged herein.
5. Prior to or in June 2009, one of Rodriguez's brokerage customers told Rodriguez that he was concerned about the fluctuations in the value of his brokerage account.
6. In or about June 2009, Rodriguez arranged for this customer to take \$10,000 from the customer's brokerage account, and to provide it as a loan to or investment in a construction business operated by Rodriguez's brother.
7. Rodriguez told the customer that he would receive an 8% annual return on the \$10,000.
8. On or about June 29, 2009, the customer withdrew \$10,000 from his brokerage account, and gave the money to Rodriguez. Rodriguez kept \$5,000 of that money for himself instead of providing it to his brother's construction business.
9. By converting his customer's funds to his own use, Rodriguez made improper use of those funds in violation of NASD Rule 2330 (now FINRA Rule 2150), and engaged in conduct inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of FINRA Rule 2010.

SECOND CAUSE OF ACTION

**Failure to Adhere to High Standards of Commercial
Honor and Just and Equitable Principles of Trade
(FINRA Conduct Rule 2010)**

10. Paragraphs 1 through 9 are repeated and realleged herein.

11. By converting customer funds to his own use, Rodriguez failed to adhere to high standards of commercial honor and just and equitable principles of trade, thereby violating FINRA Rule 2010.

PRAYER FOR RELIEF

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a) of the FINRA Code of Procedure be imposed, and
- B. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330 of the FINRA Code of Procedure.

FINRA DEPARTMENT OF ENFORCEMENT

Date: August 1, 2011


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