

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011027954501**

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

RE: Damon Andres Flores, Respondent
Former Series 6 and 63 Registered Representative
CRD No. 5663634

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

Damon Andres Flores ("Flores") entered the securities industry in April 2009 as a registered representative trainee. In August 2009, Flores became employed by Pruco Securities, LLC ("Pruco Securities" or the "Firm"), a FINRA regulated firm, as a career development agent. Between September 2009 and October 2009, Flores obtained his Series 6 and 63 licenses. Flores voluntarily left Pruco Securities' employment on March 1, 2011 and since that date has not been employed in any capacity in the securities industry.

On May 6, 2011, FINRA received a Uniform Termination Notice for Securities Industry Registration ("Form U5") from the Firm reporting allegations that Flores submitted a variable annuity application for a family member that reflected a potentially non-genuine signature, and submitted another variable annuity application for a person whose identity the Firm was unable to confirm.

Although Flores is not currently employed in the securities industry, pursuant to Article V, Section 4(a) of the FINRA By-Laws, FINRA retains jurisdiction over him until at least May 3, 2013

RELEVANT DISCIPLINARY HISTORY

Respondent has no prior disciplinary history in the securities industry.

OVERVIEW

From June 2010 to January 2011, Flores, a registered representative employed with Pruco Securities violated FINRA Rule 2010 by misappropriating from the Firm approximately \$36,927 when he submitted multiple variable annuity applications without permission from the persons named in the annuities. Flores also violated FINRA Rule 2010 by adding false information or forged signatures to the applications. In addition, Flores violated FINRA Rules 8210 and 2010 by failing to comply with FINRA's written requests for information and testimony.

FACTS AND VIOLATIVE CONDUCT

A. Misappropriation and Forgery/Falsification of Documents

FINRA Rule 2010 provides that a member, "in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

On or about September 11, 2010 and December 7, 2010, Flores submitted two annuity applications bearing PF's name and which contained forgeries of PF's signature. Neither application was funded. PF was not aware that Flores submitted the false annuity application in his name and did not authorize Flores to sign the annuity application on his behalf.

On or about November 9, 2010, Flores submitted an annuity application for customer LB that contained a false social security number, date of birth and address. The application was never funded. LB was not aware that Flores submitted the false annuity application in her name and did not authorize Flores to submit the application on her behalf.

On or about December 20, 2010 and January 18, 2011, Flores submitted for KF two annuity applications, each of which contained a forged signature. Neither application was funded. KF was not aware that Flores submitted the false annuity application in KF's name and did not authorize Flores to sign the annuity applications on her behalf.

Flores knew that the unfunded annuity applications were false at the time that he submitted them. Based upon the submission of these annuity applications, the Firm paid Flores \$36,927.31 in commissions and bonuses. Flores used these funds for his own benefit. However, Flores was not entitled to the funds, because the customers did not authorize the transactions and the Firm paid Flores based upon its belief that the annuity applications that he submitted were requested and signed by the individuals named in the applications. Thus, Flores misappropriated the Firm's funds when he improperly received commissions and bonuses from the Firm and used the funds for his own benefit.

As a result of the foregoing conduct, Flores committed separate violations of FINRA Rule 2010 when he: (1) submitted variable annuity applications to the firm with forged customer signatures, and (2) misappropriated from the Firm commissions and bonuses to which he was not entitled.

B. Failure to Provide Information and Testimony

FINRA Rule 8210(a)(1) requires "a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically . . . and to testify at a location specified by FINRA staff . . . with respect to any matter involved in [an] investigation, complaint, examination, or proceeding." A violation of FINRA Rule 8210 also constitutes a violation of FINRA Rule 2010.

1. Failure to Provide Information

In a letter dated April 24, 2012, the Department of Enforcement requested, pursuant to FINRA Rule 8210, that Flores provide a written statement regarding his submission of annuity application that he previously submitted to the Firm. Enforcement also requested an explanation of the false information he inserted on certain variable annuity applications. The information was due by May 14, 2012. The letter was sent by certified mail and return receipt requested and a copy was sent by first class mail. The letters were mailed to Flores's residential address as reflected in the Central Registration Depository ("CRD").

The first class copy of the letter was not returned. Enforcement received the return receipt, which Flores signed for the copy sent by certified mail. Flores did not respond to letter or provide the information requested.

In a letter dated June 4, 2012, Enforcement requested, pursuant to FINRA Rule 8210, that Flores provide a written statement addressing the allegations reported in the Form U5 that the Firm filed with FINRA. The information was due by June 18, 2012. The letter was sent by certified mail and return receipt requested and a copy was sent by first class mail. The letters were mailed to Flores's residential address as reflected in CRD.

The first class copy of the letter was not returned. Enforcement received the return receipt, which Flores signed, for the certified mail copy of the letter. Flores did not respond to the letter or provide the information requested.

2. Failure to Appear for Testimony

In a letter dated June 21, 2012, Enforcement requested, pursuant to FINRA Rule 8210, that Flores appear on July 17, 2012 at FINRA's office at One World Financial Center, 200 Liberty Street, in New York City for on-the-record testimony. The letter was sent by certified mail and return receipt requested and a copy was sent by first class mail. The letters were mailed to Flores's residential address as reflected in CRD.

The first class copy of the letter was not returned. Enforcement received the return receipt, which Flores's wife signed as recipient. Following receipt of letter, Flores's wife contacted staff and advised that Flores would not appear for his scheduled on-the-record testimony.

In a letter dated July 5, 2012, Enforcement requested, pursuant to FINRA Rule 8210, that Flores appear on July 25, 2012 at FINRA's office at One World Financial Center, 200 Liberty Street, in New York City for on-the-record testimony. The letter was sent by certified mail and return receipt requested and a copy was sent by first class mail. The letters were mailed to Flores's residential address as reflected in CRD.

The first class copy of the letter was not returned. Enforcement received the return receipt, which Flores signed, for the certified mail copy of the letter. On July 20, 2012, staff received a written response from Flores, who advised that he did not intend to appear and testify. On July 29, 2012, at staff's request, Flores confirmed that he did not intend to appear and testify at any time in the future.

On August 31, 2012, Enforcement staff spoke to Flores, who, among other things, confirmed that he received Enforcement's written requests for information and testimony, and that he understood that he could be disciplined, including being barred from the securities industry, for failing to cooperate with Enforcement's written requests for information and testimony.

On September 5, 2012, Flores sent an email to Enforcement in which he again acknowledged that his failure to comply with FINRA's requests would subject him to a bar from the securities industry.

As a result of the foregoing conduct, Flores violated FINRA Rules 8210 and 2010 by failing to provide information and testimony as requested.

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

A bar from association in any and all capacities with any FINRA regulated firm.

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).

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 AWC.

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.

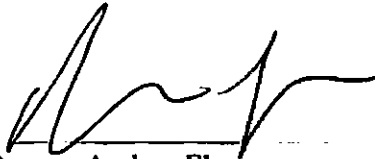
OTHER MATTERS

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.

9-26-12
Date


Damon Andres Flores
Respondent
Pro Se

Accepted by FINRA:

10/12/2012
Date

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


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