

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110308229 02**

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

RE: Christopher G. Galatioto, Respondent
CRD No. 5749696

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I Christopher G. Galatioto ("Galatioto" or the Respondent) 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

Galatioto first became associated with a FINRA member firm in January of 2010. On November 25, 2011, Galatioto's employment with UBS Securities LLC was terminated. Galatioto has not been associated with any FINRA regulated broker-dealer since November 25, 2011. FINRA retains jurisdiction over Galatioto pursuant to Article V, Section 4(a) of the By-Laws.

RELEVANT DISCIPLINARY HISTORY

Galatioto has no prior disciplinary history.

OVERVIEW

During November 2011, Galatioto was a sales assistant at UBS Securities LLC ("the Firm"). One of his job responsibilities was to create and transmit "trade recap" emails to customers in an effort to confirm that transactions were mutually

agreed upon by the customers and the Firm. On November 22, 2011, after an institutional customer of the Firm, Customer A, denied agreeing to a November 2, 2011 transaction, Galatioto created a false trade recap email that was made to appear as if it had been sent to Customer A on November 2, 2011. Galatioto submitted this email to his Firm on November 22, 2011. He also represented to his Firm that the document had been sent to Customer A on November 2, 2011. Galatioto sought to conceal the fact that he had not created and sent a trade recap email to Customer A on the date of the transaction. The Firm provided Galatioto's trade recap email to Customer A, without knowledge that the document was false. Customer A determined that the email was not a contemporaneous trade recap email and alerted the Firm. After investigating Galatioto's conduct, the Firm terminated Galatioto's employment on November 25, 2011.

By virtue of this conduct, Galatioto violated FINRA Rule 2010, which requires adherence to high standards of commercial honor and just and equitable principles of trade. In addition, Galatioto violated NASD Rule 3110 and FINRA Rule 2010 by causing the books and records of the Firm employer to be maintained inaccurately in violation of Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4 thereunder.

FACTS AND VIOLATIVE CONDUCT

From January 11, 2010 through November 25, 2011, Galatioto was employed as a non-registered sales assistant at the Firm. One of his responsibilities at the Firm was to create and transmit "trade recap emails" to customers in an effort to confirm that transactions were mutually agreed upon by both the customers and the Firm.

On November 2, 2011, a salesperson of the Firm effected the purchase of \$1,000,000 nominal value of corporate bonds for Customer A. On the trade date - November 2, 2011-- Galatioto was responsible for sending a trade recap email for the transaction in question to Customer A. However, Galatioto failed to do so.

Subsequent to the trade date, Customer A denied having any knowledge of the November 2, 2011 transaction and asserted that it had never received a trade recap email from the Firm. On November 21, 2011, Galatioto's supervisor asked Galatioto if he sent out a trade recap email for the transaction to Customer A on November 2, 2011. Galatioto misrepresented to his supervisor that he had done so and said that he would locate the email. On the morning of November 22, 2011, Galatioto created and sent his supervisor an email that was made to appear as if it has been sent on November 2, 2011. In addition, Galatioto falsely represented to his supervisor that this trade recap email was sent to Customer A on November 2, 2011.

Without knowledge that Galatioto created a false email , the Firm forwarded a copy of the email to Customer A. Customer A determined that the document had been falsified, and that it had not received any trade recap email for the transaction on November 2, 2011. After conducting an investigation, the Firm determined that Galatioto created the email in order to conceal his failure to send a trade recap email on November 2, 2011. In connection with this misconduct, the Firm terminated Galatioto's employment on November 25, 2011.

Galatioto's conduct violated FINRA Rule 2010. In addition, Galatioto violated NASD Rule 3110 and FINRA Rule 2010 by causing the books and records of the Firm to be maintained inaccurately in violation of Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-4 thereunder.

SANCTIONS

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

1. A suspension from association with any FINRA member firm in any capacity for 18 months; and
2. A fine of \$5,000

The fine shall be due and payable either immediately upon reassociation with a member firm following the 18-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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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 become effective on a date set by FINRA staff.

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: (i) testimonial obligations; or (ii) 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.

Date 9/6/2013

Christopher G. Galatioto
Christopher G. Galatioto
Respondent

Reviewed by

Date 9/11/13

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Accepted by FINRA:

9/23/13
Date

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

Susan Light
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