

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012032053101**

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

RE: John Hongkeun Pak (CRD No. 1193651),
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, John Hongkeun Pak ("Pak" or "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

On October 13, 1993, Pak first became registered with FINRA as an Investment Company and Variable Contracts Products Representative. From that date until July 19, 2012, Pak was registered in that capacity through MetLife Securities Inc. (BD No. 14251) ("MetLife" or the "Firm"). On March 22, 2002, he also became registered as a General Securities Representative through the Firm.

On July 19, 2012, MetLife filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that Pak had been discharged on July 11, 2012 for, among other things, "use of discretion in customer accounts." Since then, Pak has not been associated with a FINRA member firm. Pursuant to Article V, Section 4 of the By-Laws, however, FINRA retains jurisdiction over him.

RELEVANT DISCIPLINARY HISTORY

Pak has no relevant formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

FACTS AND VIOLATIVE CONDUCT

NASD Conduct Rule 2510(b) prohibits registered representatives from exercising discretionary power in a customer's account unless the representative has obtained prior written authorization from the customer and prior written acceptance of the account as discretionary from his or her employer member firm.

On July 7, 2011 and August 8, 2011, Pak, while he was registered with FINRA through an association with the Firm, exercised discretionary power in customer TC's account without obtaining written authorization from the customer or acceptance of the account as discretionary by the Firm. Specifically, on July 7, 2011, Pak reallocated approximately \$240,000 of the customer's investment in a variable annuity from a fixed income subaccount to seven equity subaccounts. By August 8, 2011, the value of TC's investments in the equity subaccounts had declined. On that date, Pak again exercised discretionary power by reallocating the customer's investments in the seven equity subaccounts back into the fixed income subaccount.¹ The Firm prohibited discretionary trading in variable annuity subaccounts. By exercising discretion without written authorization, Pak violated NASD Conduct Rule 2510(b) and FINRA Rule 2010.

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

- a suspension from association with any FINRA member in any and all capacities for a period of one month; and
- a \$5,000 fine.

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

¹ In or about December 2011, the Firm settled with customer TC, covering the losses she sustained as a result of Pak's discretionary transactions in her account.

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.

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;

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; and

D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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.

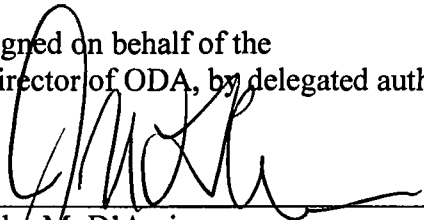
06/11/2013
Date (mm/dd/yyyy)


John Hongkeun Pak, Respondent

Accepted by FINRA:

6/18/13
Date

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



John M. D'Amico
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To Department of Enforcement

Financial Industry Regulatory Authority

RE: John Hongkeun Pak(CRD No.1193651)

Respondent

Dear Mams/Sirs,

John Hongkeun Pak, I will keep in mind that it will be never happened again. I will surely keep the rules of FINRA, SEC and any self-regulatory organization or any state securities regulator in the future. This will be first and last mistake in my security business. Please accept my determination and commitment.

This corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

Thank you.


John Hongkeun Pak

05-23-2013