

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012032452701**

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

**RE: Reniero Francisco, Respondent
General Securities Representative
CRD No. 1844351**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Reniero Francisco ("Respondent" or "Francisco"), 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Francisco first became registered with FINRA as General Securities Representative ("GSR") through a member firm in 1988. From July 2002 to October 2010, he was associated with LPL Financial LLC where he was registered as a GSR.

Currently, Francisco is not associated with any member firm. However, pursuant to Article V, Section 4 of its By-Laws, FINRA retains jurisdiction over him until April 25, 2014 as a result of an Amended Form U5 filed on April 27, 2012.

RELEVANT DISCIPLINARY HISTORY

In December 2012, the U.S. Commodity Futures Trading Commission initiated an action against Francisco for, among other things, violations of the Commodity Exchange Act, making false statements to investors, misappropriating funds, and making false statements in filings with the National Futures Association, in connection with an entity called Arista, LLC ("Arista"). As a result, in addition to

being barred, Francisco was fined \$5,925,000.00 in civil penalties, and Francisco and his co-defendant were ordered to pay restitution in the amount of over \$8 million.

OVERVIEW

In connection with FINRA staff's investigation of Francisco's involvement with Arista, the staff requested information from Francisco and also scheduled his testimony. Francisco failed to respond to the staff's requests for information and documents, and also failed to appear for testimony, in violation of FINRA Rules 8210 and 2010, as detailed below.

FACTS AND VIOLATIVE CONDUCT

By letter dated November 26, 2012, the staff, pursuant to FINRA Rule 8210, requested that Francisco provide, among other things, information addressing Form U5 amendment filings concerning various customer complaints involving investments in Arista, which Francisco introduced to his customers, and for which Francisco subsequently became the subject of a criminal proceeding. The letter was sent by first class and certified mail to Francisco's CRD address located in Newport Coast, CA (the "CRD Address"). The response was due by December 10, 2012.

In a signed written statement received by the staff on December 10, 2012, Francisco responded that, "[u]pon the advice given to me by my counsel, at this time I am unable to answer these questions due to the rights afforded me under the Fifth Amendment." He did not provide any information or documents responsive to the staff's November 26, 2012 request letter.

As a result, by letter dated January 28, 2013, the staff, pursuant to FINRA Rule 8210, issued its second request for information and documents to Francisco. The letter was sent by first class and certified mail to the CRD Address. The letter requested the information that was sought in the staff's November 26, 2012 request letter. The response was due by February 11, 2013.

The first class mailing was not returned. The return receipt card for the certified mailing was returned with Francisco's printed name. The staff did not receive a response to the second request letter.

In further efforts to obtain the information that was requested by the staff's November 26, 2012 and January 28, 2013 letters, the staff requested Francisco appear for his testimony.

Accordingly, by letter dated May 2, 2013, the staff requested, pursuant to FINRA Rule 8210, that Francisco appear for his on-the-record interview ("OTR") on June 18, 2013 at 9:00 a.m. at FINRA's Los Angeles District Office.

The letter was sent by first class and certified mail to the CRD Address. The first class mailing was not returned. The return receipt card for the certified mailing was returned with an illegible signature.

Francisco did not appear for his OTR on June 18, 2013. Francisco's failure to cooperate impaired FINRA's investigation.

By reason of the foregoing, Francisco violated FINRA Rules 8210 and 2010.

B. Respondent also consents to the imposition of the following sanction:

A bar from association with any FINRA member broker-dealer in all capacities.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, as amended. Accordingly, Respondent 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 sanction 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

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Respondent;
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent;**
- C. If accepted:**
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;**
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's 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. Respondent 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. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which**

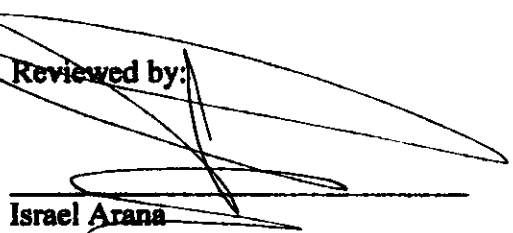
FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has 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 Respondent to submit it.

3/9/14
Date (mm/dd/yyyy)


Reniero Francisco

Reviewed by:

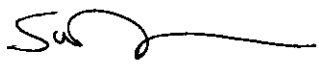

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Accepted by FINRA:

3/26/14
Date

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


Soo H. Im
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