

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012033265501**

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

RE: Eduardo Peynetti Villafana, Respondent
Former Registered Representative
CRD No. 5765339

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

Eduardo Peynetti Villafana ("Peynetti") entered the securities industry in 2007. In 2010, he registered as a Series 7 (General Securities Representative) with FINRA member BNP Paribas Securities Corp. ("BNP" or "Firm"). He passed the Series 63 (Uniform Securities Agent State Law Examination) the same year. On June 11, 2012, BNP filed a Form U5 terminating Peynetti's registration. Subsequently, Peynetti was registered with two other FINRA members until voluntarily leaving the industry in April 2013.

Although Peynetti is not currently associated with a FINRA member, FINRA retains jurisdiction over him pursuant to Article V, Section 4, of the FINRA by-Laws.

OVERVIEW

On certain days during the period of May 15, 2012 through May 30, 2012, Peynetti marked interest rate foreign exchange ("IRFX") curves away from the mid-point in connection with BNP's proprietary positions in Peruvian and Chilean currency swaps thereby causing BNP to make and preserve inaccurate books and records. As a result, Peynetti violated FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 4511 requires that members shall make and preserve books and records as required under the FINRA rules, the Securities Exchange Act of 1934 ("Exchange Act") and the applicable Exchange Act rules.

Rule 17a-3(a)(2) under the Exchange Act in turn requires that a firm preserve, among other things, its ledgers and other records reflecting all assets and liabilities.

During May 2012, Peynetti was a junior currency trader at BNP and assisting with one of the Firm's proprietary portfolios. Under BNP's written procedures, currency traders were responsible for marking to market the applicable interest rate curves on a daily basis in order to track the market performance of proprietary positions. BNP required its traders to mark IRFX curves at the average mid-point between bid and ask prices posted by market makers in the security.

On certain days during the period of May 15, 2012 through May 30, 2012, Peynetti marked IRFX curves away from the mid-point concerning three different instruments: (1) Chilean interest rate swaps; (2) Chilean cross-currency swaps; and (3) Peruvian cross-currency swaps. As a result of these markings, Peynetti caused the Firm to overstate the value of its proprietary swap positions by approximately \$1,000,000 on records the Firm made and preserved under Exchange Act Rule 17a-3(a)(2).

On May 31, 2012, through its monthly review process, BNP discovered the erroneous marks and corrected them.

By mismarking the IRFX curves, Peynetti violated FINRA Rules 4511 and 2010.

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

1. A 30 calendar day suspension from association with any FINRA member in any capacity; and
2. A \$5,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 30 calendar day 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 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 Chief

Legal Officer, 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

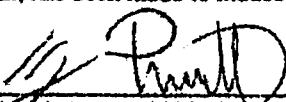
I understand that:

- 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.

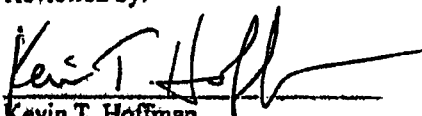
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

01/21/2015
Date (mm/dd/yyyy)


Eduardo Peynetti Villafana

Reviewed by:

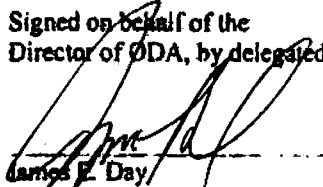

Kevin T. Hoffman
Attorney at Law
151 Railroad Avenue
Greenwich, CT 06830
(203) 869-8744 (Telephone)

01/21/2015
Date (mm/dd/yyyy)

Accepted by FINRA:

2/3/15
Date (mm/dd/yyyy)

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


James E. Day
Vice President and Chief Counsel
FINRA Department of Enforcement
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