

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Angelo Barcelo III
(CRD No. 4394074),

Respondent.

DISCIPLINARY PROCEEDING
No. 2012034046801

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Angelo Barcelo III ("Barcelo") converted \$5,796.00 from a fictitious account that he created. He also failed to respond to FINRA Staff's requests for information. This conduct violated FINRA Rules 2010 and 8210.

RESPONDENT AND JURISDICTION

2. Barcelo first became registered with FINRA as a General Securities Representative on April 5, 2005.
3. From December 13, 2010 through September 13, 2012, Respondent was registered as a General Securities Representative and General Securities Principal through an association with Wang Investment Associates, Inc. (BD No. 17912) ("Wang"), which was his last association with a member firm.

4. On September 13, 2012, Wang filed with FINRA's Central Registration Depository ("CRD") a Uniform Termination Notice for Securities Industry Registration ("Form U5") stating that Barcelo was terminated and his last date of employment was August 17, 2012.
5. Although Barcelo is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Barcelo's registration with Wang, namely, September 13, 2012, and (2) the Complaint charges Barcelo with misconduct committed while he was registered or associated with a FINRA member and with failing to respond to FINRA requests for information during the two-year period after the date of the Form U5 filed on September 13, 2012 by Wang.

FIRST CAUSE OF ACTION
Conversion of Funds
(FINRA Rule 2010)

6. The Department realleges and incorporates by reference paragraphs 1-5 above.
7. On August 7, 2012, Barcelo created a fictitious account under the name of customer AM ("fictitious account").
8. On August 8, 2012, Barcelo sent a request directly to Wang's clearing firm to change the address on the fictitious account to Apartment 201 at Barcelo's residential address per CRD ("Apt. 201 Address").
9. Between August 8, 2012 and August 10, 2012, Barcelo made a series of journal entries in the fictitious account to create a credit balance of \$5,796.00.

10. On or about August 10, 2012, Barcelo created a \$5,771 check disbursement order that was funded by the fictitious account. The \$5,771 check was issued and sent to the Apt. 201 address. A \$25 fee was charged to the fictitious account due to a “Saturday check fee.”
11. On August 13, 2012, Barcelo cashed the check distributed from the fictitious account and subsequently used the funds to pay for past due rent, child support and other personal expenses, such as his car loan and cell phone bill.
12. By converting \$5,796.00 from Wang, Barcelo failed to observe high standards of commercial honor and just and equitable principles of trade in violation of FINRA Rule 2010.

SECOND CAUSE OF ACTION
Failure to Respond to FINRA’s Written Requests for Information
(FINRA Rules 8210 and 2010)

13. The Department realleges and incorporates by reference paragraphs 1-12 above.
The First Request for Information
14. On November 15, 2012, FINRA Staff sent a letter to Barcelo to the Apt. 201 Address. The letter requested, pursuant to FINRA Rule 8210, that Barcelo provide information and documents regarding, among other things, the circumstances surrounding the creation of a fictitious account and conversion of funds from Wang. The letter, which requested a response by December 6, 2012, was sent via first class mail and certified mail.
15. The November 15th certified mailing was returned to the Staff stamped, “Return to Sender,” “Unclaimed,” and “Unable to Forward.”
16. The November 15th first class mailing was not returned to the Staff.

17. Barcelo failed to respond to the Staff's request for information.

The Second Request for Information

18. On December 10, 2012, FINRA staff sent a letter to Barcelo at his CRD Address and Apt. 201 Address. The letter requested, pursuant to FINRA Rule 8210, that Barcelo provide information regarding, among other things, the circumstances surrounding the creation of a fictitious account and misappropriation of funds from Wang. The letter, which requested a response by January 2, 2013, was sent via first-class and certified mail and warned Barcelo that his failure to respond could subject him to disciplinary action.

19. The December 10th certified mailing to Barcelo's CRD Address was returned to the Staff stamped, "Insufficient Address - Return to Sender."

20. The certified mailing receipt for the December 10th mailing to the Apt. 201 Address certified mailing was returned to the Staff bearing a signature.

21. The December 10th first class mailings sent to the Apt. 201 Address and CRD Address were not returned to Staff.

22. Barcelo, again, failed to respond to the Staff's request for information.

The Third Request for Information

23. On September 12, 2013, the Staff sent a letter to Barcelo's CRD Address. The letter requested, pursuant to FINRA Rule 8210, that Barcelo provide information regarding, among other things, the circumstances surrounding the creation of a fictitious account and misappropriation of funds from Wang. The letter, which requested a response by September 20, 2013, was sent via first class mail and certified mail.

24. The September 12th certified mailing to Barcelo's CRD Address was returned to the Staff stamped, "Insufficient Address - Return to Sender."
25. The September 12th first class mailing was not returned to the Staff.
26. To date, Barcelo has failed to respond to the Staff's request for information.
27. The Staff is not aware of any other current residential or business addresses for Barcelo.
28. By failing to respond to the Staff's information requests, Barcelo violated FINRA Rules 8210 and 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Dated: December 20, 2013



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