

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013034982604**

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

RE: Adriana Piltz, Respondent
General Securities Principal
Research Principal
CRD No. 5066217

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

Adriana Piltz (“Piltz”) has been employed in the securities industry since November 2005. Piltz first registered as a General Securities Representative (“GS”) in May 2008, as a General Securities Principal (“GP”) in July 2009, and as a Research Principal (“RP”) in August 2009. In June 2012, Piltz associated with Merriman Capital, Inc. (“Merriman” or the “Firm”), registered as a GS, GP and RP with the Firm and assumed the role of Director of Research—a position she held throughout the time period described below. Piltz’s registrations with Merriman terminated effective September 6, 2016, and she is not currently associated with any FINRA member firm. Piltz has no relevant disciplinary history

OVERVIEW

Between June 2012 and December 2012, Piltz—Merriman’s Director of Research at the time—did not adopt and implement supervisory procedures reasonably designed to ensure that Merriman’s research reports complied with the disclosure requirements of NASD Rule 2711(h). As a result, she violated NASD Rule 2711(i) and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Piltz joined Merriman as its Director of Research in June 2012. Between June 2012 and December 2012 (the “Review Period”), Piltz did not adopt and implement supervisory procedures reasonably designed to ensure that Merriman and its employees complied with the disclosure requirements of NASD Rule 2711. During the Review Period, the Firm’s written supervisory procedures (“WSPs”) relating to research stated that “[r]esearch analysts may not distribute any research report without prior review and approval by Research Department Supervisory Staff” and that the Firm “has an automated system that generates the disclosures required by FINRA [*sic*] Rule 2711.” The WSPs did not, however, describe any more specific process by which the Firm would ensure that such required disclosures were actually made. Nor did the Firm have any systems in place to track and ensure that certain required disclosure items were included in the research reports it disseminated, such as: (1) the Firm’s, or research analyst’s, ownership of the securities of the subject company; (2) whether the Firm acted as a manager or co-manager of public offerings of the subject company or received or sought compensation for investment banking services; or (3) the Firm’s engagement in providing non-investment banking product or services to the subject company.

In addition, during the Review Period, Piltz failed to review 11 research reports published by Merriman to ensure that disclosures required under NASD Rule 2711(h) were properly included, that the price targets had a reasonable basis, and that the valuation methods used to determine price targets were disclosed in the research reports. Although Piltz read the 11 reports, she did not adequately review their content, and she failed to verify that the final versions of the 11 research reports included the required disclosures. The 11 research reports reviewed and approved by Piltz contained multiple violations of the various disclosure requirements set forth in NASD Rule 2711(h).

By virtue of the foregoing, Piltz violated NASD Rule 2711(i) and FINRA Rule 2010.

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

- A censure

Respondent has submitted a sworn financial statement and demonstrated an inability to pay. In light of the financial status of Respondent, no monetary sanctions have been imposed.

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:

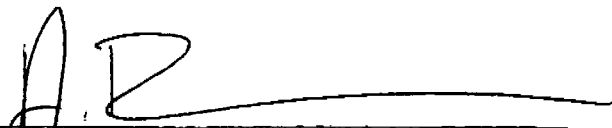
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public 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.

04/25/2017

Date


Respondent Adriana Piltz

Accepted by FINRA:

06/21/2017
Date

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



Anne Davis, Principal Regional Counsel
FINRA Department of Enforcement
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