

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

ACN Securities Inc. (CRD No. 37645),

and

Simon Taylor (CRD No. 3079767),

Respondents.

DISCIPLINARY PROCEEDING
No. 2013035237101

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. This matter concerns the Respondents' failure to timely file a Uniform Termination Notice for Securities Industry Registration ("Form U5") for one of its registered persons who repeatedly requested termination. More specifically, ACN Securities Inc. (BD No. 37645) ("ACN" or the "Firm"), acting through its Chief Executive Officer ("CEO") and Chief Compliance Officer ("CCO") Simon Taylor ("Taylor") (CRD No. 3079767), failed to file a Form U5 to terminate the registrations of CE, an individual who first became registered with FINRA through ACN in September 2005, and who resigned from ACN on May 6, 2014. ACN failed to file the Form U5, despite CE's request that the firm terminate his registrations. As a result, ACN and

Taylor acted in contravention of Article V, Section 3(a) of FINRA's By-Laws, and thus violated FINRA Rule 2010.

RESPONDENTS AND JURISDICTION

ACN Securities, Inc.

2. ACN became registered as a FINRA member firm on April 4, 1995.
3. ACN operates from two branch offices. The Firm is approved to engage in several lines of business including private placement of securities and investment advisory services. The Firm has approximately six persons registered and two branch office locations. The Firm's principal place of business as reflected in the records of the Central Registration Depository ("CRD") is in New York, New York.
4. Under Article IV of FINRA's By-Laws, FINRA possesses jurisdiction over ACN for purposes of this proceeding because: (a) ACN is a FINRA member firm; and (b) the Complaint charges the firm with misconduct committed while it was a FINRA member.

Simon Taylor

5. Taylor first became registered with FINRA as a General Securities Representative and General Securities Principal beginning September 25, 1998 through ACN. Thereafter, Taylor became registered as an Investment Banking representative through ACN beginning May 6, 2010. Taylor is currently registered in those capacities through ACN.
6. Taylor has been ACN's majority owner since 2010, its Chief Executive Officer since 2000 and its Chief Compliance Officer since 2004.

7. Under Article V of FINRA's By-Laws, FINRA possesses jurisdiction over Taylor for purposes of this proceeding because: (a) he is registered with FINRA and associated with a member firm; and (b) the Complaint charges him with misconduct committed while he was registered with FINRA and associated with a member firm.

FIRST CAUSE OF ACTION

Failure to Terminate the Registrations of a Registered Representative

(Acting in Contravention of Article V, Section 3(a) of FINRA's By-Laws in Violation of FINRA Rule 2010)

8. The Department realleges and incorporates by reference paragraphs 1 through 7 above.
9. Article V, Section 3(a) of FINRA's By-Laws provides that "following the termination of the association with a member of a person who is registered with it, such member shall, not later than 30 days after such termination, give notice of the termination of such association to [FINRA]" by filing a Uniform Termination Notice for Securities Industry Registration (Form U5).
10. CE joined ACN in 2005. CE first became registered with FINRA through ACN in the following capacities: as a General Securities Representative since September 27, 2005, as a General Securities Principal since October 26, 2005, as an Investment Banking Representative since May 3, 2010, and as an Operations Professional since December 8, 2011. CE had no prior experience working in the securities industry and had not been previously registered with FINRA or associated with any FINRA member firm.

11. When CE joined the Firm he was also the Chairman of the Firm's parent corporation, Angel Capital Network, Inc. ("Angel Capital"). CE relinquished his role as Chairman of Angel Capital in 2006. At various times during his association with ACN, CE provided limited technology-related services to the Firm, such as hosting a website for ACN on a server that CE's consulting company owns and annually renewing the Internet domain registration for the firm with a domain name provider for a minimal fee.
12. Apart from providing limited technology-related services for which CE was not compensated, CE has not been active in ACN's investment banking business or securities business and has not been functioning as a representative at ACN.
13. On May 6, 2014, CE submitted a resignation letter to Taylor and requested that ACN terminate his registrations with FINRA. CE resigned via email and in a letter that CE sent to Taylor by certified mail return receipt requested. CE requested that Taylor terminate his securities license registration with ACN immediately.
14. Based on CE's clear request to end his association with the Firm, Taylor should have terminated CE's registrations with ACN by no later than June 5, 2014, 30 days after CE's May 6, 2014 resignation.
15. Between July 2014 and September 2014, subsequent to his May 2014 resignation from the Firm, CE repeated his requests that Taylor terminate his registrations with ACN during at least three telephone conversations with Taylor on or about July 18, 2014, August 18, 2014 and September 24, 2014.

16. However, to date, ACN, acting through Taylor, has refused to file a Form U5 with FINRA to terminate CE's registrations.

17. By reason of the foregoing, ACN and Taylor acted in contravention of Article V, Section 3(a) of FINRA's By-Laws and thus violated FINRA Rule 2010.

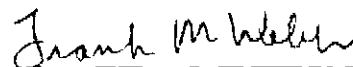
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent(s) 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.
- C. order that Respondent(s) bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: March 18, 2015



Frank M. Weber, Senior Regional Counsel
Gina M. Petrocelli, Director
Lara Thyagarajan, Regional Chief Counsel
FINRA, Department of Enforcement
200 Liberty Street
New York, New York 10281-1003
(212) 858-4324; (202) 721-6575
Email: Frank.Weber@finra.org