

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130358582**

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

RE: Horacio C. Teran, Respondent
Former General Securities Representative
CRD No. 4564680

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Horacio C. Teran ("Teran") 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 him alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Teran 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

Teran first became registered as a General Securities Representative ("GSR") with FINRA in 2002 through an association with a regulated broker-dealer. In 2009, Teran became licensed as a General Securities Principal ("GSP"). Between 2002 and 2009, Teran was registered at three FINRA-regulated broker-dealers. In December 2010, Teran became registered as a GSR through an association with First Republic Securities Company, LLC ("First Republic" or the "Firm"), a FINRA-regulated broker-dealer. On January 25, 2013, Teran's employment at First Republic was terminated for failing to disclose a reportable felony charge.

Teran is not currently employed by or associated with a FINRA-regulated broker-dealer. Therefore, pursuant to Article V, Section 4 of the By-Laws, FINRA retains jurisdiction over Teran until at least January 25, 2015.

RELEVANT DISCIPLINARY HISTORY

Teran has no relevant disciplinary history with the Securities and Exchange Commission, any state securities regulator, FINRA, or any other self-regulatory organization.

OVERVIEW

From January 2012 until January 2013, Teran failed to timely amend his Uniform Application for Securities Industry Registration of Transfer Form ("Form U4") to disclose that he had been charged with a non-securities related felony in January 2012. Based upon this conduct, Teran violated Article V, Section 2(c) of the FINRA By-Laws, NASD IM-1000-1 and FINRA Rules 1122 and 2010.

FACTS AND VIOLATIVE CONDUCT

Article V, Section 2 of the FINRA By-Laws requires a person applying for registration with FINRA to disclose certain information. Pursuant to Section 2(c), the applicant is required to keep his or her application current at all times by filing amendments to his or her Form U4 within 30 days of learning of facts that are required to be disclosed. One fact required to be disclosed is whether the applicant has ever been charged with a felony. FINRA Rule 1122 requires associated persons to, among other things, correct any membership or registration filing with FINRA that is incomplete or inaccurate so as to be misleading.

On or about January 5, 2012, Teran was charged with a felony under California State Law. Question 14A(1)(b) of the Form U4 asks: "Have you ever been *charged* with any *felony*?" (emphasis in the original). Teran was registered with First Republic and was under an obligation to disclose the felony charge within 30 days. Teran failed to make the required disclosure for more than one year until the Firm independently learned of the felony charge. The Firm terminated Teran, and the felony charge was subsequently disclosed on Teran's Uniform Termination Notice for Securities Industry Registration ("Form U5").

By reason of the foregoing, Teran violated Article V, Section 2(c) of the FINRA By-Laws, NASD IM-1000-1 and FINRA Rules 1122 and 2010.

SANCTIONS

B. Teran also consents to the imposition of the following sanctions:

1. A one-month suspension from association with any FINRA member firm 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 one-month 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.

Teran specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Teran 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 Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, Teran 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).

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against him;
- 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, Teran 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.

Teran 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

Teran 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 him; and
- C. If accepted:
 - 1. This AWC will become part of his permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about his 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. Teran 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. Teran 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 his: (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. Teran may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Teran understands that he 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.

Teran 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 he 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 him to submit it.

11/5/2013
Date

Reviewed by:

11/11/13
Date

[Signature]
Horacio C. Teran

[Signature]
Joel Beck
The Beck Law Firm, LLC
232 West Crogan Street, Suite C
PO Box 1266
Lawrenceville, GA 30046
Counsel for Respondent

Accepted by FINRA:

1/23/14
Date

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

[Signature]
Susan Light
Senior Vice President & Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, New York 10281
Phone: 646-315-7333
Facsimile: 646-315-7425