

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014041282601**

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

RE: Alejandro Ariel Torres ("Torres"), Respondent
General Securities Representative
CRD No. 5631211

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

Torres entered the securities industry in January 2009 and has been associated with several FINRA-regulated broker-dealers. In March 2009, Torres became registered as a Series 7 General Securities Representative. In July 2009, he obtained his Series 66 (Uniform Combined State Law) license.

In January 2013, Torres became associated with Wells Fargo Advisors, LLC (the "Firm"), a FINRA-regulated broker-dealer, as a registered representative. In a Uniform Termination Notice for Securities Industry Registration ("Form U5") dated January 21, 2014, the Firm reported that Torres' association with the Firm was terminated on January 17, 2014.

In January 2014, Torres became associated with another FINRA-regulated broker-dealer as a registered representative. On July 30, 2014, Torres' association with the broker-dealer was terminated and reported in a Form U5 filed that day.

Torres is not currently associated with a FINRA-regulated broker-dealer.

Pursuant to Article V, Section 4 of FINRA's By-Laws, Torres remains subject to FINRA's jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Torres has no disciplinary history in the securities industry.

OVERVIEW

From January 2014 through July 2014, Torres converted at least \$59,600 from a Firm customer in violation of FINRA Rule 2010. In December 2013, Torres violated FINRA Rules 3270 and 2010 by engaging in outside business activities without seeking or obtaining the Firm's approval. Additionally, in January 2014, Torres violated FINRA Rule 2010 by submitting to his FINRA-regulated broker-dealer employer an outside business activities questionnaire that contained materially false information. Torres also violated FINRA Rules 8210 and 2010 by failing to respond to FINRA requests for documents and information and testimony issued pursuant to FINRA Rule 8210.

FACTS AND VIOLATIVE CONDUCT

Conversion

FINRA Rule 2010 requires associated persons to observe "high standards of commercial honor and just and equitable principles of trade." Conversion is an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it, and violates FINRA Rule 2010.

In December 2013, Torres approached his Firm customer BMS, a 64-year-old widow, for the purported purpose of partnering with Torres in a start-up venture known as Towers Investments LLC ("Towers"). BMS agreed to enter into the partnership venture with Torres. BMS and Torres each owned fifty percent of Towers.

On or about December 19, 2013, while a customer of Torres at the Firm, BMS provided Torres with a check in the amount of \$75,000 as a capital investment in Towers. Torres deposited the \$75,000 check into a checking account opened for Towers over which Torres had exclusive access and control.

Torres did not use at least \$59,600 of the funds provided by BMS for any business purpose related to Towers. Rather, Torres used the funds to pay for his personal expenses, including BMW car payments, automobile and/or tire repairs, meals at various restaurants, and veterinarian bills. From January 2014 through July 2014, the period during which Torres was associated with a FINRA-regulated broker-

dealer, Torres converted to his personal use at least \$59,600 of the funds provided by BMS.

Torres arranged for the Towers bank account statements to be sent to him, rather than BMS. In doing so, Torres concealed his misconduct from BMS.

By virtue of his aforementioned conduct, Torres violated FINRA Rule 2010 by converting at least \$59,600 of BMS's funds.

Undisclosed Outside Business Activities

FINRA Rule 3270 prohibits a registered representative from engaging in any business activity outside the scope of his or her employment without providing prior written notice to his or her FINRA-regulated broker-dealer employer. A violation of FINRA Rule 3270 is also a violation of FINRA Rule 2010.

In or around December 2013, while he was associated with the Firm, Torres arranged for Towers to be formed as a limited liability company under Florida law, opened a bank account in its name, and obtained an employer identification number from the Internal Revenue Service on its behalf. The company's Articles of Organization filed with the State of Florida identified Torres as the managing member of Towers. Torres failed to notify the Firm of this outside business activity.

By reason of this conduct, Torres violated FINRA Rules 3270 and 2010.

False Statements to a FINRA-Regulated Broker-Dealer

Making false statements to a FINRA-regulated broker-dealer violates FINRA Rule 2010.

In January 2014, Torres submitted to his FINRA-regulated broker-dealer employer an outside business activities questionnaire in which he falsely stated that he was the sole owner of Towers and that he had not recommended or negotiated the sale of any membership or partnership interest in Towers to any third party. These statements were false because Firm customer BMS owned fifty percent of Towers, and she acquired this ownership interest after Torres solicited her investment.

By making false statements to his FINRA-regulated broker-dealer employer, Torres violated FINRA Rule 2010.

Failure to Comply with FINRA 8210 Requests for Documents and Information and Testimony

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA staff have the right to

customers from pursuing their own actions to obtain restitution or other remedies. If for any reason Respondent cannot locate customer BMS after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided.

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. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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

“require a member, person associated with a member, or any other person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically ... with respect to any matter involved in the investigation.” FINRA Rule 8210(c) states that “[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.” A violation of FINRA Rule 8210 is also a violation of FINRA Rule 2010.

On November 11, 2014, FINRA’s Department of Enforcement (“Enforcement”) sent a letter to Torres’ counsel pursuant to FINRA Rule 8210 requesting, among other things, documents and information concerning any purported expenses related to Towers and an explanation for the expenditures in the Towers bank account. After Torres failed to provide such requested documents and information, Enforcement sent additional Rule 8210 letters to Torres’ counsel dated February 27, 2015, March 13, 2015, and March 27, 2015 seeking the documents and information that Torres had failed to provide. Enforcement’s Rule 8210 letters were sent to Torres’ counsel by e-mail, U.S. certified mail, return receipt requested, and first-class mail, and were received by Torres’ counsel. Torres failed to provide such requested documents and information.

Enforcement’s March 13, 2015 letter also requested pursuant to FINRA Rule 8210 that Torres appear and provide testimony on April 10, 2015. On April 7 and 8, 2015, Torres’ counsel stated in written communications to Enforcement that Torres will not provide the requested testimony and will not cooperate with Enforcement’s investigation. Torres failed to appear and provide testimony on April 10, 2015.

By failing to provide documents and information and testimony as requested pursuant to FINRA Rule 8210, Torres violated FINRA Rules 8210 and 2010.

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

- a bar from association with any FINRA-regulated broker-dealer in any capacity; and
- an order to pay restitution to customer BMS in the total amount of \$59,600, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from December 19, 2013, until the date of payment. Restitution amounts ordered, pursuant to this disciplinary action, are due and payable immediately upon reassociation with a member firm following the 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. The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude

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:

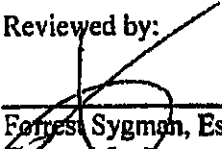
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

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.

05/11/2015
Date (mm/dd/yyyy)


Alejandro Ariel Torres, Respondent

Reviewed by:


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Accepted by FINRA:

5/22/15
Date

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


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