

NASD
OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Francisco Galvan,
CRD No. 1164780,

Respondent.

Disciplinary Proceeding
No. C01040017

Hearing Officer: AHP

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: September 26, 2005

INTRODUCTION

Disciplinary Proceeding No. C01040017 was filed on June 9, 2004, by the Department of Enforcement of NASD ("Complainant"). Respondent Francisco Galvan submitted an Offer of Settlement ("Offer") to Complainant on September 19, 2005. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of

findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Respondent first became associated with a member of NASD in September 1983. His most recent association was terminated in January 2002. In August 2003, an amendment to his Uniform Termination Notice for Securities Industry Registration was filed with NASD. Respondent is not presently associated with an NASD member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. On or about February 22, 2000, August 9, 2000 and July 9, 2001, Respondent participated in securities transactions involving common stock and promissory notes in which his client CS purchased securities from the issuers. These transactions were private securities transactions and Respondent participated without providing prior written notice to his employer-member, in violation of NASD Conduct Rules 2110 and 3040 by Respondent.
2. Respondent recommended the securities transactions described above to CS. Respondent did not have a reasonable basis for believing the recommendations to be suitable for CS. Therefore, the recommendations constituted violations of NASD Conduct Rules 2110 and 2310 by Respondent.
3. NASD staff sent to Respondent three written requests for information pursuant to NASD Procedural Rule 8210. Respondent did not provide the requested information, in violation of NASD Conduct Rule 2110 and NASD Procedural Rule 8210.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

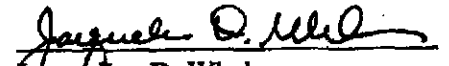
SANCTIONS

It is ordered that Respondent be barred from association with any member of NASD in any capacity.

SO ORDERED.

NASD

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


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