

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2016051930401**

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

RE: Eric S. Darty (“Respondent” or “Darty”)  
General Securities Representative  
CRD No. 6314905

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**

Darty entered the securities industry in December 2014, when he registered with BBVA Securities Inc. (“BBVA” or “Firm”), a FINRA regulated broker-dealer, as a Series 7 General Securities Representative. On November 3, 2016, BBVA filed a Uniform Termination Notice of Securities Industry Registration (“Form U5”) disclosing that it had terminated Darty’s employment on October 28, 2016 due to loss of confidence and trust by the Firm as a result of a series of unauthorized transactions involving accounts or funds of customers of the Firm and of the Firm’s affiliate bank. Although Darty is not currently associated with a FINRA regulated broker-dealer, pursuant to Article V, Section 4(a) of FINRA’s By-Laws, FINRA retains jurisdiction over Darty.

**RELEVANT DISCIPLINARY HISTORY**

Darty has no relevant disciplinary history in the securities industry.

## OVERVIEW

After initiating an investigation into Darty regarding allegations of conversion and unauthorized transactions involving accounts or funds of customers from November 2015 through October 2016, FINRA requested, pursuant to FINRA Rule 8210, that Darty produce documents and information. Darty failed to produce the requested documents and information in violation of FINRA Rules 8210 and 2010.

## FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) requires a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically and to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding. FINRA Rule 2010 requires that members and associated persons "observe high standards of commercial honor and just and equitable principles of trade." Failure to comply with Rule 8210 is a violation of FINRA Rule 2010.

On January 4, 2017, FINRA staff sent Darty a letter, pursuant to FINRA Rule 8210, requesting that he produce documents and information, including bank statements, credit card statements, tax returns, payments received from customers, cashiers' checks, and information on loans, by no later than January 18, 2017. The letter informed Darty that if he failed to produce the requested documents and information, he could be subject to a disciplinary action and the imposition of sanctions, including a bar. The letter was sent by certified mail and first class mail to Darty's residential address as reflected in the Central Registration Depository, and to Darty's personal email address. Darty received the letter and on January 18, 2017, Darty requested, and was granted, an extension to respond to the January 4, 2017 letter until January 25, 2017.

→ On January 25, 2017, Darty informed FINRA staff that he would not respond to FINRA's January 4, 2017 letter, and would not cooperate further with FINRA's investigation. To date, Darty has not provided any of the documents or information requested in the January 4, 2017 letter.

By failing to produce the requested documents and information, Darty 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.

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. 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 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.

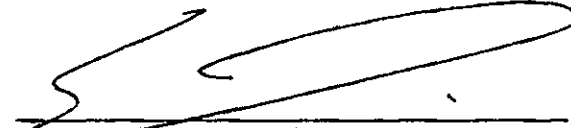
#### OTHER MATTERS

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 understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; 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.


02-09-2017  
Date (mm/dd/yyyy)

  
Eric S. Darty, Respondent

Accepted by FINRA:

2/14/17  
Date

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

  
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