

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2019063490102**

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

RE: Ricardo Turlan (Respondent)
Former General Securities Representative
CRD No. 4431836

Pursuant to FINRA Rule 9216, Respondent Ricardo Turlan 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 Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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

Turlan entered the Securities Industry in 2001 as a general securities representative. He was associated with two other firms before he joined UBS Financial Services, Inc. in October 2015. On August 2, 2019, UBS filed a Form U5 notifying FINRA that it had terminated Turlan as of July 9, 2019. The firm filed an amended Form U5 on August 6, 2019. Although Respondent is not currently associated with a FINRA member, FINRA retains jurisdiction over him pursuant to Article V, Section 4(a) of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons.

Respondent does not have any relevant disciplinary history.

OVERVIEW

Between June 2017 and February 2019, while associated with UBS, Turlan effected approximately 130 trades in two customer accounts using discretion without the customers' prior written authorization and without the firm accepting these accounts as discretionary in writing. In doing so, Turlan violated NASD Rule 2510(b) and FINRA Rule 2010. In the account of one of these customers, Turlan also mismarked approximately 72 trades as "unsolicited" when they should have been marked as

“solicited,” causing the firm to maintain inaccurate books and records. As a result, Turlan violated FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA Enforcement investigation into Turlan’s termination by UBS.

NASD Rule 2510(b) prohibits registered representatives from “exercis[ing] any discretionary power in a customer’s account unless such customer has given prior written authorization to a stated individual or individuals and the account has been accepted by the member.”¹ A violation of NASD Rule 2510(b) violates FINRA Rule 2010.

FINRA Rule 4511 requires members to “make and preserve books and records as required under the FINRA Rules, the Exchange Act and the applicable Exchange Act rules.” Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-3 thereunder require firms to make and keep a record of “each brokerage order” showing “the terms and conditions of the order,” including whether the order was solicited. A registered representative who mismarks an order as “unsolicited” when it should be marked as “solicited” causes a firm to create an inaccurate record in violation of FINRA Rules 4511 and 2010.

Between June 2017 and February 2019, Turlan effected approximately 130 transactions in the accounts of two customers without first speaking to the customers on the days of the trades. Neither of the customers provided written authorization for Turlan to exercise discretion in their accounts and UBS did not accept either of the accounts as discretionary accounts. Therefore, Respondent violated NASD Rule 2510(b) and FINRA Rule 2010.

In addition, between January 2018 and December 2018, in one of the accounts, Turlan mismarked approximately 72 trades as “unsolicited,” when the transactions were, in fact, solicited. Turlan’s mismarking of the order tickets caused UBS to maintain inaccurate books and records. Therefore, Respondent violated FINRA Rules 4511 and 2010.

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

- a two-month suspension from associating with any FINRA member in all capacities; and
- a \$7,500 fine, deferred.

The fine shall be due and payable either immediately upon reassociation with a member firm 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.

¹ After the date of this misconduct, FINRA Rule 3260 superseded NASD Rule 2510(b) (effective April 8, 2019).

Respondent specifically and voluntarily waives any right to claim inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent 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, Respondent specifically and voluntarily waives 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 its acceptance or rejection.

Respondent 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.

Respondent 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 Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he 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 3111. The sanctions imposed in this AWC shall be effective on a date set by FINRA.

III.

OTHER MATTERS

Respondent 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 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 its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent 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. Respondent 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 Respondent's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent 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.

Respondent 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; Respondent understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA for legal advice. Respondent has agreed to the AWC's provisions voluntarily; and no

offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

May 27, 2021

Date

Ricardo Turlan

Ricardo Turlan
Respondent

Accepted by FINRA:

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

June 3, 2021

Date

Jennifer C. Wang

Jennifer C. Wang
Counsel
FINRA
Department of Enforcement
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