

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014040364901**

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

RE: Loreta Salinas Nelson, Respondent
General Securities Representative
CRD No. 1381052

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Loreta Salinas Nelson ("Nelson" or "Respondent") 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 herein.

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

Nelson entered the securities industry in 1985 when she became associated with MetLife Securities Inc. (the "Firm"), a FINRA regulated broker-dealer. She continued to be associated with the Firm until she resigned in February 2014. The Firm filed a Form U5 in February 2014 stating that Nelson resigned while under internal review with respect to borrowing money from a former client and outside business activities.

Nelson obtained her Series 6 registration in 1985, her Series 7 and 65 registrations in 1998 and her Series 66 registration in 2000.

Nelson is not currently associated with a FINRA regulated broker-dealer, but FINRA retains jurisdiction over her pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Nelson has no disciplinary history in the securities industry.

OVERVIEW

From December 2012 to January 2014, Nelson engaged in an outside business activity by serving as a co-trustee for former Firm customer EM and receiving approximately \$47,000 in compensation for that activity without providing prior written notice to her employer member firm, in violation of FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3270 provides in relevant part:

No registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member.

The Firm's written supervisory procedures likewise required all registered representatives to inform the Firm prior to engaging in any outside activities (with or without compensation) other than their own passive investments. The Firm's policies further prohibited registered representatives from serving in a fiduciary capacity, such as acting as a trustee or having power of attorney, unless the individual for whom the registered representative is acting as a fiduciary is a family member.

FINRA Rule 2010 requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade." A violation of FINRA Rule 3270 is considered inconsistent with high standards of commercial honor and just and equitable principles of trade.

On or around December 13, 2012, Nelson became co-trustee of a trust established for the benefit of former firm customer, EM. At approximately the same time, Nelson was also appointed with a power of attorney for EM's affairs. At the time, EM was approximately 100 years old. EM was not a family member of Nelson. Nelson continued to serve as co-trustee for EM's trust until at least January 2014. During the time that Nelson acted as co-trustee, she paid herself approximately \$47,000 in fees and expenses from the trust assets as compensation for acting as co-trustee. Nelson did not inform the Firm that she was acting as co-trustee for EM's trust prior to engaging in that activity or at any time that she acted as co-

trustee.

By engaging in an outside business activity of serving as a co-trustee for EM's trust and receiving approximately \$47,000 in compensation for such activity without providing prior written notice to the Firm, Nelson violated FINRA Rules 3270 and 2010.

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

A six month suspension from associating with any FINRA member in any capacity and a \$15,000 fine.

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

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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.

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 prejudice 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

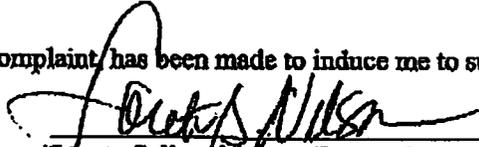
I understand that:

- 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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

March 9, 2015
Date (mm/dd/yyyy)


Loreta Salinas Nelson, Respondent

Accepted by FINRA:

3/20/15
Date

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


Richard Chin
Chief Counsel
FINRA Department of Enforcement
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