

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2014043578901**

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

RE: Daniel Liang, Respondent  
Former Registered Representative  
CRD No 3162355

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**

Daniel Liang (“Liang”) first became registered with a FINRA member firm in July 1999. He obtained the following securities licenses: Financial and Operations Principal (Series 27) on May 29, 1999, Uniform Securities Agent (Series 63) on August 12, 1999, General Securities Representative (Series 7) on September 25, 2002, General Securities Principal (Series 24) on November 13, 2002, Investment Advisor (Series 65 on January 29, 2003 and Series 66 on July 2, 2013), and Municipal Securities (Series 53) on March 12, 2003. Liang became registered with HSBC Securities, Inc. (“HSBC Securities” or the “Firm”) on October 3, 2005. His registration with the Firm was terminated on December 17, 2014.

Although Liang is not currently registered with a FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4, of FINRA’s By-Laws.

## OVERVIEW

Liang falsified personal documents for the benefit of customers at HSBC Bank USA N.A. ("HSBC Bank"), the bank affiliate of HSBC Securities, where Liang was dually-employed. Liang also prompted Firm customers to sign blank or incomplete forms related to mutual fund disclosures, which he maintained in his files while registered with HSBC Securities. By reason of the foregoing, Liang violated FINRA Rule 2010.

## FACTS AND VIOLATIVE CONDUCT

### Falsified HSBC Bank Documents

Between June 2010 and October 2014, while registered with HSBC Securities, Liang falsified seven documents as accommodations for three HSBC Bank customers by changing the title of some of the accounts and altering bills and statements to make it appear as though customers received documents at mailing addresses different than the addresses originally printed on the documents.

Liang falsified a utility bill and two bank statements belonging to himself and his nephew. He cut and pasted the names and addresses of three HSBC Bank customers over his nephew's and his names on the statements to give the appearance that the statements belonged to the customers. Liang altered these documents for customers whose mail was sent to P.O. Box numbers in order to make it appear as though the customers had bills mailed to U.S. residential addresses. Liang altered the documents to help the customers satisfy the HSBC Bank's requirement that customers have residential (not P.O. Box) addresses.

Liang also changed the title of four accounts on HSBC Bank Deposit Account Agreements by placing stickers over errors he made while originally completing the documents. He made these changes after the customer had signed the mislabeled documents, as an accommodation to the customer who did not wish to return to sign new copies.

Based on this conduct, Liang violated FINRA Rule 2010 which requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

### Blank/Incomplete Mutual Fund Disclosure Forms

Between May 2014 and August 2014, Liang permitted at least three HSBC Securities customers to sign blank or incomplete Mutual Fund Disclosure and Investment Acknowledgement Forms and retained those Forms in his files. This conduct contravened the Firm's compliance procedures in effect at the time, which prohibited registered representatives from "request[ing] that a customer sign a blank, incomplete, or backdated document," or "accept[ing] a blank, incomplete, or backdated document from a customer."

Based on this conduct, Liang also violated FINRA Rule 2010.

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

1. A suspension in all capacities from association with any FINRA member firm for seven months; and
2. A fine of \$5,000.

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

3/21/2016

Date (mm/dd/yyyy)

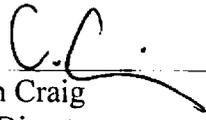
K.H.P.  
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Daniel Liang, Respondent

Accepted by FINRA:

3/31/2016  
Date

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

  
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FINRA – Department of Enforcement  
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