

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

**MIDAS SECURITIES, LLC
(CRD No. 103680),**

**WORLD TRADE FINANCIAL CORPORATION
(CRD No. 42638),**

**JASON TROY ADAMS
(CRD No. 2137404),**

**FRANK EDWARD BRICKELL
(CRD No. 3257725),**

**PATRICK FRANCIS HARTE, JR.
(CRD No. 1865650),**

**JAY S. LEE
(CRD No. 4338187),**

AND

**RODNEY PRESTON MICHEL
(CRD No. 1275392),**

RESPONDENTS.

**DISCIPLINARY PROCEEDING
No. 2005000075703**

HEARING OFFICER: ANDREW H. PERKINS

**ORDER ACCEPTING OFFER OF SETTLEMENT
TO FIFTH CAUSE OF ACTION BY JAY LEE**

INTRODUCTION

Disciplinary Proceeding No. 2005000075703 was filed on March 31, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA"). Respondent Jay Lee submitted an Offer of Settlement ("Offer") to Complainant on August 13,

2008, as to the Fifth Cause of Action. Pursuant to NASD Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to NASD 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 FINRA, or to which FINRA 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 FINRA.

BACKGROUND

Jay Lee was at all times relevant to the Complaint the President, Chief Executive Officer, Chief Compliance Officer, and Financial and Operations Principal of Midas Securities, LLC (which is also a respondent in this proceeding). He has been registered with Midas Securities since March 2002. Lee was first registered as a General Securities Representative, General Securities Principal and Equity Trader in 2001, and as an Options Principal in 2002.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:¹

¹ The findings herein are pursuant to Respondent Jay Lee's Offer of Settlement and are not binding upon any other person or entity named as a respondent in this or any other proceeding. In addition, the findings pertain solely to the allegations of the Fifth Cause of Action.

On November 24, 2006, FINRA staff informed Lee and Midas Securities in a Wells notice that the Department “had made a preliminary determination to recommend that formal action be brought” against Lee for the certain violations alleged in this Complaint. This letter was sent to Lee via facsimile and regular mail.

Article V, Section 2(c) of the FINRA By-Laws requires that:

Every application for registration filed with [FINRA] shall be kept current at all times by supplementary amendments via electronic process or such other process as [FINRA] may prescribe to the original application. Such amendment to the application shall be filed with [FINRA] not later than 30 days after learning of the facts or circumstances giving rise to the amendment.

Upon receipt of the November 24, 2006 Wells notification, Lee and Midas Securities were required to update Lee’s Uniform Application for Securities Industry Registration or Transfer (Form U-4) within 30 days to disclose that Lee was the subject of an investigation that could result in a “yes” answer to any part of question 14 of the Form U-4. Question 14G asks whether the registrant has been notified in writing that he or she is the subject of an investigation that could result in, among other things, certain findings or sanctions by a self-regulatory organization. The written instructions to the Form U-4 define the word “investigation” to include “[FINRA] investigations after the ‘Wells’ notice has been given.”

In the Wells notification, FINRA staff advised Lee and Midas Securities that Lee should “treat this letter as written notification that you are the subject of an investigation for purposes of triggering an obligation on your part to update your Form U-4 (Uniform Application for Securities Industry Registration or Transfer).”

By letter dated March 6, 2007, FINRA staff advised Lee and Midas Securities that Lee’s Form U-4 had not been updated despite the requirement to do so, stating:

[The] November 24, 2006 letter regarding the potential charges against you individually was an explicit written notification that you were the subject of an

investigation for purposes of triggering an obligation on your part to update your Form U-4 (Uniform Application for Securities Industry Registration or Transfer). To date, however, your Form U-4 has not been updated.

This letter was sent to Lee via facsimile and regular mail.

Lee and Midas Securities failed to update Lee's Form U-4 to disclose that he was the subject of an investigation.

* * *

Based upon the foregoing, Jay Lee violated Article V, Section 2(c) of FINRA's By-Laws, NASD Conduct Rule 2110, and IM-1000-1.

Based upon 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 FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent Jay Lee be:

1. suspended from associating with any member firm in any capacity for a period of forty-five days; and
2. fined in the amount of \$15,000.

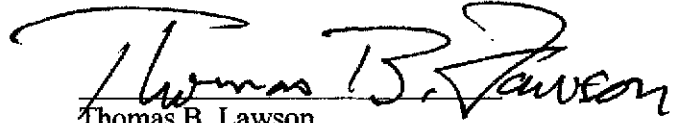
The sanctions imposed herein shall be effective on a date set by FINRA staff.

SO ORDERED.

Dated: September 12, 2008

FINRA

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

A handwritten signature in black ink, reading "Thomas B. Lawson". The signature is written in a cursive style with a large, sweeping initial "T".

Thomas B. Lawson
Vice President and Chief Counsel
FINRA Department of Enforcement
1801 K Street, N.W.
Washington, DC 20006
(202) 974-2800
FAX: (202) 974-2805