

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006006045201

TO: Department of Enforcement
NASD

RE: Francis P.M. Brighton, Respondent
General Securities Representative
CRD No. 30579

Pursuant to Rule 9216 of the NASD Code of Procedure, Francis P.M. Brighton ("Brighton") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against me alleging violations based on the same factual findings.

I understand that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Enforcement, National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
3. If accepted:
 - a. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by the NASD or any other regulator against me;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about my disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. 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. Nothing in this provision affects my testimonial obligations or right to take legal or factual positions in litigation in which the NASD is not a party.

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I also understand that my experience in the securities industry and disciplinary history may be factors which will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Brighton first became registered with NASD in October 1972 as a General Securities Representative with Waddell & Reed, Inc. ("WRI"). He was registered with WRI in that capacity from 1972 to August 4, 2006. He has not been registered with any NASD member since August 4, 2006. In July 2006, the Pennsylvania Securities Commission barred Brighton from, among other things, being registered as a broker, dealer or agent in the state for borrowing funds from his customers. He has no NASD disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal 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 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 General Counsel, 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 Rule 9143 or the separation of functions prohibitions of 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.

II.

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 NASD, or to which NASD 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 NASD:

In about November 2003 and March 2005, Brighton borrowed \$9,000 and \$5,800, respectively, from two customers without approval from his employer member firm. Brighton failed to repay the \$5,800 loan by the agreed upon date of June 30, 2005, and he failed to repay the customer fully as of about September 2006 when she contacted WRI about the unpaid loan. Moreover, in inducing and obtaining the two loans, Brighton failed to disclose to the customers that he had obtained loans from about eight customers in the past and had not yet repaid those customers in full.

Based on the foregoing, Brighton violated NASD Conduct Rules 2370 and 2110.

- B. I also consent to the imposition, at a maximum, of the sanction of a bar from association with any member in any capacity.

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), the bar imposed herein shall become effective upon approval or acceptance of this AWC by the NAC.

III.

OTHER MATTERS

I understand that if I am barred from association with any NASD member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar. (See NASD Rule 8310 and IM-8310-1).

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, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce me to submit it.

Nov. 15, 2006
Date

Francis P.M. Brighton
Francis P.M. Brighton

Accepted by NASD:

December 4, 2006
Date

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

Thomas M. Huber
Thomas M. Huber
Regional Counsel
NASD Department of Enforcement
1835 Market Street, Suite 1900
Philadelphia, PA 19103
(215) 963-1990

NASD District Director
Robert B. Kaplan
NASD, District 9A
1835 Market Street, Suite 1900
Philadelphia, PA 19103
(215) 665-1180