

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007009430501**

RECEIVED

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REGISTRATION & DISCLOSURE

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

RE: Bruce Robert Byers, Respondent
Registered Representative
CRD No. 1336318

Pursuant to FINRA Rule 9216 of the FINRA Code of Procedure, Bruce Robert Byers ("Respondent" or "Byers") 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 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

Respondent Byers first became registered with FINRA (f/k/a NASD), as a General Securities Representative with Dean Witter Reynolds Inc. on November 26, 1984. On January 24, 1992, Byers became registered as a General Securities Representative with CitiGroup Global Markets, Inc. ("CGMI"). Byers' registration with CGMI was terminated on April 23, 2007. Byers has not been registered with a member firm since April 23, 2007. FINRA retains jurisdiction over Byers pursuant to Article V, § 4(a) of the By-Laws since the conduct which serves as the basis for this action commenced prior to his termination of registration from a member firm and this AWC is filed within two years after the effective date of his termination of registration from a member firm.

OVERVIEW

From 1992 through 2007, Byers was a registered representative with CGMI. During this timeframe, Byers handled retail customer accounts, including accounts for three customers, AG, AK and RS. In 2004, AG and AK were both over 80 years of age. Between 2004 and 2006, Byers repeatedly misrepresented the existence and value of assets and investments to AG. To conceal these misrepresentations, Byers improperly used customer funds from AK and RS by convincing AK and RS to make checks payable to AG and then depositing those funds into AG's account. Byers additionally improperly solicited and received loans from AK and RS.

By making misrepresentations to customers, improperly soliciting and receiving loans from customers, and improperly using customer funds, Byers violated NASD Conduct Rules 2370, 2330, 2110, and IM-2310.

FACTS AND VIOLATIVE CONDUCT

AG, AK, and RS were customers of Byers at CGMI. In 2004, AG and AK were both over 80 years of age. AG also was the relative of the owners of the largest account that Byers managed at CGMI.

In December 2005, Byers directed AK to issue a personal check in the amount of \$139,000 made payable to AG. On December 8, 2005, Byers agreed, in writing, to repay AK \$150,000 in ninety days, plus a \$20,000 "bonus." He then deposited AK's \$139,000 check in AG's account.

Between 2004 and 2006, AK made several other loans to Byers and his wife, totaling \$111,000. At Byers' direction, AK wrote six checks, totaling \$91,000 made payable to Byers, and one check for \$20,000 made payable to Byers' spouse. Byers never repaid AK any of the \$250,000 that she lent to him.

In June 2006, following an inquiry from AG about the value of her account at CGMI and her lack of dividend payments, Byers told AG that he had established a second account in Mexico in AG's name from which AG was receiving dividends via wire. Byers' statements were false because Byers had never established an account for AG in Mexico. For the next several months, Byers continued to make repeated misrepresentations to AG about this fictitious Mexican account, including its value and holdings, and that account statements for the account were being sent to an address in Mexico.

In September 2006, Byers directed RS to issue a cashier's check in the amount of \$73,121 made payable to AG, by misrepresenting to RS that the money was going to be used for an investment. Byers deposited the funds into AG's account at CGMI. Byers then informed AG that \$73,121 had been wired to her main account at CGMI from her Mexican account.

In September 2006, Byers borrowed an additional \$8,000 from RS. In addition to giving Byers the check made payable to AG, at Byers' direction, RS gave Byers \$3,000 in cash and a cashier's check for \$5,000. Byers gave RS a handwritten note, promising to repay RS the total sum of \$81,120. Byers never repaid RS any of the money.

The written policies and procedures in effect at CGMI from 2004 through 2006 prohibited Byers from soliciting and accepting loans from customers under these circumstances.

Byers' misrepresentations to his customers were violations of NASD Conduct Rules IM-2310-2(b)(4)(B) and 2110; his misconduct of soliciting and accepting loans from customers AK and RS violated NASD Conduct Rules 2370 and 2110; and his misuse of his customers' funds was in violation of NASD Conduct Rules 2330(a), IM-2310(b)(4)(iv), and 2110.

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

A bar from association with any FINRA member in any capacity.

I understand that if I am suspended from associating with any FINRA 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 FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See FINRA Rule 8310 and IM-8310-1.)

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA'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 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 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 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 NAG, 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 response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8310 and IM-8310-3; 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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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.

3-27-09

Date


Bruce Robert Byers

Reviewed by:

Counsel for Respondent

Accepted by FINRA:

4/6/09
Date

Date _____

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


Samuel L. Israel
 Associate Vice President and Chief
 Counsel
 FINRA Department of Enforcement
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 Washington, D.C. 20006-1334