

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

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REGISTRATION & DISCLOSURE

Department of Enforcement,

Complainant,

v.

Carlos M. Bravo
(CRD No. 1209899),

Respondent.

DISCIPLINARY PROCEEDING

No. 2007011272601

Hearing Officer: AHP

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: February 17, 2009

INTRODUCTION

Disciplinary Proceeding No. 2007011272601 was filed on November 14, 2009, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Carlos M. Bravo submitted an Offer of Settlement (Offer) to Complainant on January 13, 2009. Pursuant to FINRA 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 FINRA 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

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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

In March 1984 and May 1993, Bravo became registered with FINRA as an Investment Company and Variable Contracts Products Representative (Series 6) and as a General Securities Registered Representative (Series 7), respectively, through a member firm. In January 2002, Bravo became registered through a member firm, which was subsequently acquired by Banc of America Investment Services (BD No. 16361)(BAI). From October 20, 2004 to November 28, 2005, Bravo was registered through BAI. His association with another member firm ended on November 18, 2008, and he is currently not associated with a member firm.

FINDINGS AND CONCLUSIONS

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

1. In 2005, BAI's Compliance Manual provided that:

Prior to participating in any private securities transactions of any type, the employee must provide written notice to their Manager. The notice must include a detailed description of the proposed transaction and the employee's proposed role, and state whether the employee will receive compensation.

2. On or about May 5, 2005, Bravo signed a document acknowledging that he had reviewed BAI's Compliance Manual and that he would comply with the policies contained therein.
3. From July 2005 to November 2005, Bravo engaged in private securities transactions without providing prior written notice to, or obtaining prior written approval from, his

employer member firm. Specifically, he participated in the sales of securities, namely deferred variable annuities, totaling \$562,638.08 to firm customers AD, PR, JS, and ST.

4. In order to sell the securities, Bravo entered into an arrangement with SE, a registered representative of another member firm. SE agreed to process transactions on behalf of Bravo's customers through SE's member firm, even though Bravo was not registered with SE's member firm. SE agreed to provide Bravo with virtually all of the commissions on any transactions that he processed through SE's member firm on behalf of Bravo's customers. Bravo assisted the four customers referenced in paragraph 3 above in completing the applications for the deferred variable annuities and the paperwork to open their accounts with SE's firm. Bravo forwarded the applications to SE. SE submitted the variable annuity applications on behalf of the customers through his member firm. SE received \$36,855.77 in commissions for these sales and paid \$33,733.27 of that money to Bravo.
5. Bravo did not inform anyone at BAI that he recommended that the customers fund deferred variable annuities through another member firm, that he had an arrangement with SE regarding the processing of these transactions through another member firm, and that he had received compensation for the customer transactions from SE. BAI did not approve Bravo's participation in the sales to these customers.

Based on the foregoing, Respondent violated NASD Conduct Rules 3040 and 2110.

Based on 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 be suspended for 20 business-days from association with any member of FINRA in any capacity.

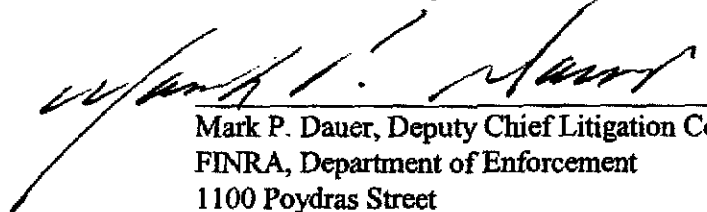
Respondent has submitted a sworn financial statement and demonstrated an inability to pay. In light of the financial status of Respondent, no monetary sanctions have been imposed.

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

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read "Mark P. Dauer", is written over a horizontal line.

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