

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008011660901**

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

RE: Brockington Securities, Inc.
Member Firm
(CRD No. 37438)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Brockington Securities, Inc. ("Respondent") 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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 has been a member of FINRA since approximately July 1995. The firm employs five registered representatives and three non-registered fingerprint persons.

RELEVANT DISCIPLINARY HISTORY

On May 12, 2006, Respondent entered into a Letter of Acceptance, Waiver and Consent (AWC) with NASD for late trade and supervisory procedures violations. Respondent was fined \$15,000, censured and required to revise its written supervisory procedures regarding trade reporting within thirty business days of acceptance of the AWC.

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REGISTRATION & DISCLOSURE

On August 29, 2005, Respondent entered into an AWC with NASD for violations of SEC Rule 15c2-4 and NASD Conduct Rule 2110 for escrow account violations in connection with a private placement. Respondent was fined \$7,500 and censured.

OVERVIEW

Respondent failed to develop and implement an anti-money laundering (AML) program reasonably designed to achieve and monitor its compliance with the requirements of the Bank Secrecy Act (BSA) during the period from March 2006 through January 2008. During this period, Respondent failed to detect, investigate or report multiple instances of suspicious activity in customer accounts. Respondent also failed to conduct an AML test for the year 2007 that was independent, pursuant to NASD Conduct Rule 3011(c).

Further, during the period from March 2006 through January 2008, Respondent failed to satisfy the firm's supervisory control system requirements under NASD Conduct Rule 3012. In addition, Respondent's employees were utilizing their personal e-mail addresses to conduct business and the firm did not have a system in place to review such e-mails.

FACTS AND VIOLATIVE CONDUCT

1. Respondent violated NASD Conduct Rules 3011 and 2110 in connection with deficiencies in Respondent's AML program. Specifically:
 - a. The firm's AML program had inadequate procedures regarding the detection and reporting of suspicious transactions, in that from March 2006 through in or about January 2008, Respondent failed to set forth a reasonable process of review for suspicious activity. Further, the firm did not receive Financial Crimes Enforcement Network (FinCEN) requests pursuant to Section 314(a) of the BSA. By reason of the foregoing, Respondent violated NASD Conduct Rules 3011(b) and 2110.
 - b. As a result of Respondent's inadequate AML program, the firm failed to timely detect, investigate, and report suspicious activity occurring at the firm in approximately six groups of customer accounts. By reason of the foregoing, Respondent violated NASD Conduct Rules 3011(a) and 2110.
 - c. Respondent failed to conduct a test of its AML program for 2007 that was independent. By reason of the foregoing, Respondent violated

NASD Conduct Rules 3011(c) and 2110.

2. During the period from March 2006 through January 2008, Respondent failed to satisfy the firm's supervisory control systems requirements under NASD Conduct Rule 3012. During that period, Respondent failed to prepare an adequate Rule 3012 report. The report failed to detail the firm's system of supervisory controls and the summary of the test results and, as a result, the firm's statement that "no other modification of the WSP was deemed necessary" was baseless. In addition, Respondent failed to properly supervise the transmittal of customer funds and/or securities, as set out under Rule 3012(a)(2)(B). By reason of the foregoing, Respondent violated NASD Conduct Rules 3012 and 2110.
3. During the period from March 2006 through January 2008, Respondent's employees were utilizing their personal e-mail accounts hosted on domains other than Respondent's domain to conduct business. Respondent's procedures prohibited the use of personal e-mail accounts yet the firm was aware of the use of personal e-mail by its representatives and did not have a system to review the e-mails. By reason of the foregoing, Respondent violated NASD Conduct Rules 3010(d) and 2110.

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

- Censure;
- A fine of \$24,000 against Respondent¹; and,
- Eight (8) hours of AML training for all employees of Respondent, in a program not unacceptable to FINRA. The training must be completed within six months after the issuance of this AWC. Within thirty (30) days following completion of the training, Respondent must provide FINRA with written proof of completion.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payments are due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay,

¹ Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, FINRA imposed a lower fine in this case after it considered, among other things, the firm's revenues and financial resources. See Notice to Members 06-55.

now or at any time hereafter, the monetary sanction imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against it;
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

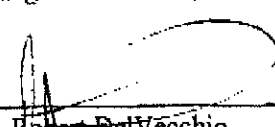
D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent agrees 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 Respondent to submit it.

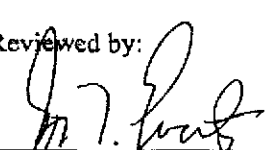
Brockington Securities, Inc.

Dec. 28, 2009
Date

By:


Robert DeVecchio
Chief Executive Officer/President

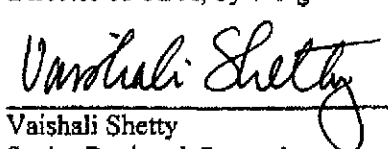
Reviewed by:


Gregory T. Everts, Esq.
Counsel for Respondent
Quarles & Brady LLP
33 East Main Street
P.O. Box 2113
Madison, Wisconsin 53701-2113
608.251.5000

Accepted by FINRA:

1/13/10
Date

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


Vaishali Shetty
Senior Regional Counsel
FINRA, District 10
Two Jericho Plaza
Jericho, New York, NY 11753
(516) 949-4237; Fax: (516) 949-4201