

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Bradford K. Dent
(CRD No. 1588966),

Respondent.

DISCIPLINARY PROCEEDING
No. 2009016893101

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Bradford K. Dent ("Dent"), while registered with Carty & Company, Inc., placed unauthorized transactions in two firm customer accounts resulting in losses of \$126,513.65. In addition, Dent failed to respond to three requests for information sent by FINRA staff and failed to appear for an on-the-record interview, each requested pursuant to FINRA Rule 8210.

RESPONDENT AND JURISDICTION

2. Dent became registered with FINRA on December 26, 1986, as a General Securities Representative. During all periods mentioned herein, Dent was associated with Carty & Company, Inc. (the "Firm") and was registered with FINRA under Article V of the

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By-Laws as a General Securities Principal, General Securities Representative, Equity Trader, and Municipal Fund Securities Principal.

3. Although Dent has not been associated with a FINRA member firm since March 5, 2009, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the date upon which he ceased to be associated with a FINRA member and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member, and with failing to respond to FINRA requests for information and failing to appear for on-the-record testimony during the two-year period after the date upon which he ceased to be associated with a FINRA member.

FIRST CAUSE OF ACTION

NASD Rules 2110 and IM-2310-2 – Unauthorized Transactions,
Against Bradford K. Dent.

4. The Department realleges and incorporates by reference paragraphs 1 through 3 above.
5. During the spring of 2008, Dent had been day trading in the Firm's error account, and had suffered a series of losses, including a substantial loss of approximately \$90,000 on transactions involving the stock of Bear Stearns Companies, Inc.
6. On or about April 25, 2008, through on or about May 9, 2008, Dent sought to camouflage the losses in the error account by entering trades in customer accounts

with offsetting trades in the Firm's error account. During this time period, Dent placed unauthorized transactions in two firm customer accounts.

7. On April 25, 2008, Dent bought 25,000 shares of Southwestern Energy Co. Delaware stock for \$1,134,754 in the account of customer AC and sold it the same day for \$1,008,240.35, creating a loss in AC's account of \$126,513.65. AC did not authorize the transactions, and AC's account was not a discretionary account. Dent entered offsetting trades in the Firm's error account, creating a profit in the Firm's error account equal to the loss in AC's account.
8. In addition, from May 9, 2008, through May 28, 2008, Dent placed nine unauthorized transactions in the account of customer JP and then cancelled the trades after JP complained. JP did not authorize the transactions, and JP's account was not a discretionary account. JP suffered no losses due to the cancellation of the trades.
9. Such acts, practices, and conduct constitute violations of NASD Rules 2110 and IM-2310-2 by Respondent Dent.

SECOND CAUSE OF ACTION

FINRA Rules 8210 and 2010 – Failure to Respond to Requests for Information
and Failure to Appear for On-the-Record Testimony,
Against Bradford K. Dent.

10. The Department realleges and incorporates by reference paragraphs 1 through 9 above.
11. On February 23, 2009, pursuant to FINRA Rule 8210, the investigative staff sent a letter to Dent requesting documents and information relating to his alleged misconduct. The letter instructed Dent to provide the requested documents and

information by March 9, 2009. The letter was mailed via certified mail, return receipt requested, and via first class mail to Dent's residential address of record in CRD ("CRD address"). The staff received a signed delivery receipt for its certified mailing, bearing the signature "Brad K. Dent" and dated March 3, 2009. Dent, however, did not respond to the staff's letter.

12. On March 26, 2009, pursuant to FINRA Rule 8210, the investigative staff sent a second letter to Dent requesting documents and information relating to his alleged misconduct. The letter instructed Dent to provide the requested documents and information by April 9, 2009. The letter was mailed via certified mail, return receipt requested, and via first class mail to Dent's CRD address. The staff received a signed delivery receipt for its certified mailing, bearing the signature "Brad Dent" and dated March 30, 2009. Dent, however, did not respond to the staff's letter.
13. On April 13, 2009, pursuant to FINRA Rule 8210, the investigative staff sent a third letter to Dent requesting documents and information relating to his alleged misconduct. The letter instructed Dent to provide the requested documents and information by April 27, 2009. The letter was mailed via certified mail, return receipt requested, and via first class mail to Dent's CRD address. The certified mailing was returned to the staff bearing an "Unclaimed" stamp. The letter sent by regular mail was not returned. Again, Dent did not respond to the staff's letter.
14. By letter dated August 4, 2009, FINRA staff requested that Dent appear, pursuant to FINRA Rule 8210, at FINRA's New Orleans District office on August 21, 2009, and provide on-the-record testimony regarding the allegations detailed in the First Cause of Action. The letter was mailed via certified mail, return receipt requested, and via

first class mail to Dent's CRD address. The letter sent by regular mail was not returned. The certified mailing was returned to the staff bearing an "Unclaimed" stamp. To date, despite proper service of the 8210 request, Dent has not appeared and provided the requested testimony.

15. Such acts, practices, and conduct constitute violations of FINRA Rules 8210 and 2010 by Respondent Dent.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed.
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: February 9, 2011


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