

**FINRA
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

**Brian Thomas Beldyk,
CRD No. 2035064,**

Respondent.

**Disciplinary Proceeding
No. 2009020090301**

Hearing Officer _____

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between the mid-1990s and September 2009, Brian Beldyk misappropriated funds from at least five different customers. The misappropriations totaled over \$450,000. In an attempt to cover up the misappropriations from one customer, Beldyk created and provided false account statements to an authorized representative of the customer between February and May 2009. Beldyk also failed to respond to FINRA's requests for information and documents. As a result of these actions, Beldyk violated NASD Conduct Rules 2330(a) and 2110, IM-2310-2(b)(4)(A)(iv) and FINRA Rules 2010 and 8210.

RESPONDENT

2. Brian Beldyk, CRD No. 2035064, entered the securities industry in February 1990 as a general securities representative. He was registered with LPL Financial Corporation from December 1993 until his employment was terminated in September 2009. Beldyk was last registered on September 28, 2009, when his U-5 terminating his registration with LPL was filed with Central Registration Depository. FINRA retains jurisdiction over Beldyk pursuant to

000056200 2010

Article V, Section 4 of the By-Laws as the conduct which serves as the basis for this action commenced prior to his termination from a member firm and this action is filed within two years after the effective date of his last termination of registration from a member firm.

FACTS

3. Beginning at some point in the mid-1990s, Beldyk began misappropriating funds from his customer, RL. RL periodically provided Beldyk checks to be deposited to her variable annuity, and he deposited a number of those checks into his own account. In total, Beldyk misappropriated approximately \$175,000 from RL in this manner.

4. In the fall of 2001, RL sought to surrender her investments and discovered a deficit of \$175,000. In 2001, Beldyk paid RL \$175,000 to compensate her for the funds he misappropriated from her.

5. To obtain funds to pay RL, Beldyk misappropriated funds from two of his other customers, AS and WJ.

6. To obtain the funds from AS, an elderly client, Beldyk had checks from her LPL account sent to her and had her endorse them. He then deposited the checks in his own account. Beldyk misappropriated between \$60,000 and \$100,000 from AS in this manner.

7. AS took monthly withdrawals from her account. At some point after 2001, AS's account ran out of funds because of her monthly withdrawals. Beginning in 2003, in order to prevent AS from learning that she no longer had money in her account due to his misappropriation, Beldyk began making monthly payments to AS in varying amounts. He continued doing so into August 2009.

8. In February 2009, AS's niece, who had AS's Power of Attorney, contacted Beldyk for information about the account, including past account statements. Since there were

no statements, Beldyk created one that falsely indicated non-existent holdings. In May 2009, he provided another false statement to the niece, indicating an account value of \$150,000.

9. Beldyk misappropriated approximately \$90,000 from WJ in 2001. He had her remove that amount from her LPL account and endorse the check, which he then deposited in his own account. Beldyk led WJ to believe she was making another investment with the funds.

10. Beldyk misappropriated funds from WJ on at least two other occasions, \$50,000 in a check written directly to Beldyk in 2008 and a \$10,000 withdrawal from her LPL account which she gave to him in 2009.

11. Beldyk misappropriated approximately \$50,000 between 2008 and 2009 from customer MA. He had MA withdraw money from her LPL account, deposit the check in her money market account, and then write a check to him, saying she withdrew too much and needed to reinvest it.

12. Beldyk misappropriated approximately \$27,000 in April 2008 from customer PG. PG provided Beldyk a check made payable to Beldyk that was not deposited into PG's account as PG expected.

FIRST CAUSE OF ACTION

CONVERSION AND MISUSE OF CUSTOMER FUNDS

Violations of NASD Conduct Rules 2330(a) and 2110, IM-2310-2(b)(4)(A)(iv) and FINRA Rule 2010

13. The Department realleges and incorporates by reference paragraphs 1 through 12 above.

14. Beldyk converted for his own use funds obtained wrongfully from customers RL, AS, WJ, MA and PG.

15. By virtue of this conduct, Beldyk violated NASD Conduct Rules 2330(a) and 2110, IM-2310-2(b)(4)(A)(iv) and, for the misappropriations in 2009, FINRA Rule 2010.

SECOND CAUSE OF ACTION

FALSIFICATION OF DOCUMENTS Violations of FINRA Rule 2010

16. The Department realleges and incorporates by reference paragraphs 1 through 15 above.

17. In an attempt to cover up his malfeasance, Beldyk created false account statements in February and May 2009 to provide to AS's authorized representative.

18. Beldyk knew at the time he created the statements that the information contained in them was false and he presented them to AS's niece intending that she would believe and rely on the information contained in them.

19. By virtue of this conduct, Beldyk violated FINRA Rule 2010.

THIRD CAUSE OF ACTION

FAILURE TO PROVIDE INFORMATION AND DOCUMENTS Violations of FINRA Rules 8210 and 2010

20. The Department realleges and incorporates by reference paragraphs 1 through 19 above.

21. Pursuant to FINRA Rule 8210, FINRA sent Beldyk a letter requesting information and documents related to the matters alleged above on November 10, 2009. The letter was sent to Beldyk's CRD address by certified mail return receipt requested and first class mail.

22. Beldyk signed for the certified copy on November 13, 2009. The first class mail copy was not returned.

23. Beldyk did not respond to the November 10, 2009 letter.

24. Again pursuant to FINRA Rule 8210, FINRA sent Beldyk a letter requesting information and documents related to the matters alleged above on January 5, 2010. The letter was sent to Beldyk's CRD address by certified mail return receipt requested and first class mail.

25. Beldyk signed for the certified copy on January 7, 2010. The first class mail copy was not returned.

26. Beldyk did not respond to the January 5, 2010 letter, and has at no time provided the requested information and documents.

27. By virtue of this conduct, Beldyk violated FINRA Rules 8210 and 2010.

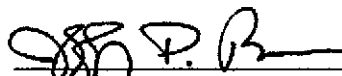
PRAYER FOR RELIEF

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under NASD Rule 8310(a) be imposed, including that the Respondent be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest.
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330.

DATED: July 16, 2010

Respectfully submitted,



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FINRA

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