

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010021010901**

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

**RE: Oakbrook Investment Brokers, Inc., Respondent
(CRD No. 22133)**

And

**Robert G. Stevens, Respondent
Registered Principal
(CRD No. 720687)**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Oakbrook Investment Brokers, Inc. and Robert G. Stevens (collectively referred to as "Respondents"), submit 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 us alleging violations based on the same factual findings described herein.

I

ACCEPTANCE AND CONSENT

- A. Respondents 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

Oakbrook Investment Brokers, Inc. ("Oakbrook Investment" or "Firm") became registered with the Securities and Exchange Commission ("SEC") on May 12, 1988, and became registered with FINRA on June 23, 1988. The Firm conducts a general securities business on a fully disclosed basis. Oakbrook Investment employs one registered representative and is headquartered in Villa Park, IL. The Firm's registrations with FINRA and the SEC remain in effect. Oakbrook Investment does not have any disciplinary history.

Robert G. Stevens ("Stevens") entered the securities industry by becoming registered as a General Securities Representative of a former FINRA firm on December 29, 1980. On June 10, 1987, he became registered as a General Securities Principal, and on February 10, 1988, he became registered as a Financial and Operations Principal with a former FINRA firm. On June 23, 1988, Stevens became registered with Oakbrook Investment in these, as well as other capacities. Stevens continues to be registered with Oakbrook Investment. At all relevant times, Stevens was the Firm's President, Chief Compliance Officer, Anti-Money Laundering ("AML") Compliance Officer and Financial and Operations Principal. He has no history of disciplinary action.

OVERVIEW

Stevens, acting on behalf of Oakbrook Investment, provided backdated documents to FINRA during an examination of the Firm in an effort to conceal that his Firm had failed to comply with certain elements of FINRA's Continuing Education Requirements in 2007, 2008 and 2009. When FINRA staff questioned Stevens about the authenticity of documents he provided, Stevens falsely stated that the documents were accurately dated. He also made these falsified documents a part of the Firm's books and records. Such conduct was in violation of NASD Rules 1120, 2110 and 3110 and FINRA Rules 1250 and 2010.

In addition, from September 2007 to May 2008, Oakbrook Investment was the lead underwriter in a minimum/maximum public offering. The Firm, acting through Stevens, failed to ensure that any due diligence of the public offering was conducted, and failed to ensure that all of the customers who purchased units of the public offering were suitable for those purchases. Further, when the minimum required interests of the public offering were not sold, the Firm and Stevens failed to preserve any documentation showing that each of its customers, who had purchased units of the public offering and tendered funds, received a return of their funds. Such conduct was in violation of SEC Rule 17a-3, and NASD Rules 2110, 3010 and 3110.

Further from 2006 to 2011, the Firm and Stevens failed to conform their conduct to the fundamental requirements of numerous SEC, NASD and FINRA Rules. Their violations were significant, at times repetitive and broad in scope, warranting a bar of Stevens from the securities industry and an expulsion of Oakbrook Investment from registration.

FACTS AND VIOLATIVE CONDUCT

Providing False Documents and Making False Statements to FINRA During an Examination; Creating False Books and Records

1. NASD Membership and Registration Rule 1120(b), which was renamed FINRA Rule 1250(b) on October 17, 2011, requires firms to annually

evaluate and prioritize their training needs and develop a written Firm Element training plan, which takes into consideration, among other things, the firm's size, organizational structure and scope of business activities. In addition, FINRA firms are required to maintain records documenting the content of their continuing education programs and completion of the programs by its registered representatives.

2. On March 31, 2010, FINRA notified Stevens that an examination of the Firm would commence on April 26, 2010. Stevens immediately emailed CS, the owner of a third-party consultant that provides assistance to brokerage firms, requesting that CS provide him with certain firm element continuing education materials. Stevens received continuing education materials from CS on or about April 12, 2010, including a Firm Element Needs Analysis and a Continuing Education Training Plan. The materials also included "CE Test Forms," designed to test representatives' knowledge after they attended a firm element continuing education course.
3. Stevens sent the CE Test Forms to the two registered representatives who were employed by Oakbrook Investment during 2007 and 2008, and requested that they complete the CE Test Forms, sign them, and then return them to him. When Stevens received the completed CE Test Forms in April 2010, he dated one group of CE Test Forms December 2, 2007, another group December 15, 2007 and two additional groups December 18, 2008, in order to give the appearance that the CE Test Forms were completed during those years. In addition, Stevens completed two sets of the CE Test Forms himself in April 2010, and backdated those to December 12, 2007 and December 1, 2008.
4. The backdated CE Test Forms were placed in binders with other Firm Element Continuing Education materials received from CS. The binders were labeled and made a part of Oakbrook Investment's books and records. As part of its examination of Oakbrook Investment in April 2010, FINRA staff requested documents demonstrating that the Firm had complied with its obligations under FINRA's Firm Element of the Continuing Education Requirements during 2007 and 2008. Stevens presented the binders containing the backdated CE Test Forms to a FINRA examiner in response to FINRA's request.
5. On or about April 26, 2010, when a FINRA examiner questioned the authenticity of the Continuing Education materials submitted by Stevens, he responded that CS had only recently organized the materials into the binders, however, all of the CE Test Forms were completed on the dates reflected on the Forms.

6. Stevens knew that the dates he affixed to the CE Test Forms were false, and knew that his statement to the FINRA examiner on or about April 26, 2010 was also false.
7. By virtue of the foregoing, Stevens and Oakbrook Investment violated NASD Rule 3110 and FINRA Rule 2010.

Failure to Comply with Continuing Education Requirements

8. During the years 2007, 2008, 2009 and 2011, Oakbrook Investment, acting through Stevens, failed to develop a written firm element training plan, and failed to annually evaluate and prioritize the Firm's training needs, in accordance with FINRA's Firm Element Continuing Education Requirements.
9. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated NASD Rules 2110 and 1120 and FINRA Rules 2010 and 1250.

Failing to Supervise and Maintain Adequate Books and Records for Sales of a Public Offering

10. From September 2007 to May 2008, Oakbrook Investment was the lead placement agent for the offering of interests in Brookshire Raw Materials (U.S.) Trust ("Brookshire Offering"). The Brookshire Offering was a public minimum/maximum offering. According to the prospectus, investors' funds were to be deposited into an escrow account until a minimum of 1 million units, at \$10.00 per unit, were sold. If the minimum number of units were not sold, the funds solicited for the Brookshire Offering were to be returned to the investors.
11. The prospectus for the Brookshire Offering stated that the investment was speculative and involved a high degree of risk. Investors were required to have a minimum annual gross income of \$70,000 and a minimum net worth of \$70,000, or a minimum net worth of \$250,000. Further, the prospectus stated that investors could not place more than 10% of their net worth in the Brookshire Offering.
12. NASD Rule 3010 requires FINRA firms to establish, maintain and enforce systems and procedures to supervise each type of business in which they engage. A firm must conduct due diligence on its securities products in order to understand the inherent risks of these products and to determine whether these products are suitable for its customers. Stevens was the principal at Oakbrook Investment who was responsible for, among other things, ensuring that the Firm conducted adequate due diligence of the Brookshire Offering and ensuring that all sales of the Brookshire Offering to Oakbrook Investment customers were suitable for those customers.

13. Stevens delegated his due diligence responsibilities to a registered representative of Oakbrook Investment who introduced the Brookshire Offering to Oakbrook Investment. Following his delegation, Stevens took no steps to confirm whether due diligence of the Brookshire Offering actually was conducted, prior to representatives of the Firm recommending the Brookshire Offering to customers. Further, he did not know whether due diligence files were maintained, and was not able to produce any due diligence records to FINRA staff.
14. Stevens also failed to ensure that all recommendations made by Oakbrook Investment representatives to Firm customers, to purchase units of the Brookshire Offering, were suitable for those customers. In fact, Stevens concluded that if a customer completed all the necessary paperwork and signed the subscription agreement to purchase units of the Brookshire Offering, he had no further obligation to determine whether the Brookshire Offering was suitable for that customer.
15. From December 2007 until May 2008, Oakbrook Investment representatives sold at least \$1,284,500 worth of units of the Brookshire Offering to approximately 40 customers. Prior to executing these transactions, Oakbrook Investment, acting through Stevens, failed to conduct adequate due diligence of the Brookshire Offering, and failed to ensure that all of the customers who purchased units of the Brookshire Offering were suitable for those purchases.
16. The Brookshire Offering failed to raise the minimum required. In accordance with the terms of the Brookshire Offering, all funds received were returned to investors. However, Oakbrook Investment and Stevens failed to preserve any documentation showing that each of its customers who had purchased units of the Brookshire Offering and tendered funds received a return of their funds.¹ Stevens assumed that the funds were returned to customers without any documentation to support that assumption.
17. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated SEC Rule 17a-3, NASD Rules 2110, 3010 and 3110, and Stevens violated NASD Rules 2110, 3010 and 3110.

¹ SEC Rule 17a-3 requires broker-dealers to make and keep current books and records relating to its business. NASD Rule 3110 obligates every FINRA firm to make and preserve books and records as required under SEC Rule 17a-3.

**Failure to Capture and Review Electronic and
Other Correspondence of Registered Representatives**

18. SEC Rule 17a-4 requires firms to maintain and preserve, for a period of not less than three years, email communications relating to the firm's business. Further, NASD Rule 3010(d) requires firms to establish procedures for the review of all incoming and outgoing written and electronic correspondence of registered representatives relating to the investment banking or securities business of the firm.
19. From at least August 2006 to April 2010, Oakbrook Investment representatives were required to use an email service and address provided by the Firm. All incoming and outgoing email communications were to be captured and preserved by a third party service with which Oakbrook Investment had contracted.
20. From at least August 2006 to April 2010, at least three representatives of Oakbrook Investment were using email addresses with domains that were not approved by the Firm. Many securities related emails sent and received by these representatives were not captured by the Firm. Stevens knew about this problem because he received hundreds of emails from the three representatives through their email addresses with unapproved domains. Despite knowing that the three representatives were using unapproved email addresses for securities related email communications, Oakbrook Investment, acting through Stevens, allowed at least one of the representatives to continue to use an unapproved email address through at least November 2011.
21. In addition, from August 2006 to December 2011, Oakbrook Investment, acting through Stevens, failed to review any of its representatives' email correspondence that the Firm actually did capture through its third party service, and failed to review all other correspondence of the Firm's representatives.
22. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated SEC Rule 17a-4, NASD Rules 2110, 3010 and 3110 and FINRA Rule 2010, and Stevens violated NASD Rules 2110, 3010 and 3110 and FINRA Rule 2010.

**Failure to Maintain Accurate General Ledgers, Trial Balances and
Net Capital Calculations**

23. SEC Rule 17a-3 generally provides that every broker-dealer registered with FINRA shall make and keep current books and records relating to its

business, including but not limited to ledgers, or other records, reflecting all assets and liabilities, income and expense, and capital accounts.

24. Oakbrook Investment, acting through Stevens, failed to prepare an accurate general ledger, trial balances, and net capital calculations for the following dates: March 31, 2010 and October 31, 2011. The inaccuracies were the result of Oakbrook Investment's and Stevens' failure to properly accrue its liabilities, reflect liabilities on its general ledger and balance sheet, and reflect assets on its general ledger and balance sheet, as more fully described on Schedules A and B, attached hereto and incorporated by reference.
25. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated SEC Rule 17a-3, NASD Rule 3110, and FINRA Rule 2010, and Stevens violated NASD Rule 3110, and FINRA Rule 2010.

Inaccurate FOCUS Reports

26. SEC Rule 17a-5(a)(2) requires the filing of a Quarterly FOCUS Report within 17 business days following the end of each calendar quarter.
27. Oakbrook Investment, acting through Stevens, filed an inaccurate FOCUS Report Part IIA for the quarter ending March 31, 2010, as described in Schedule A.
28. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated SEC Rule 17a-5, and FINRA Rule 2010, and Stevens violated FINRA Rule 2010.

Failure to Conduct an Adequate and Independent Test of the Firm's AML Program

29. NASD Conduct Rule 3011, which became effective on April 24, 2002, requires FINRA members to develop and implement a written AML program reasonably designed to achieve and monitor compliance with the requirements of the Bank Secrecy Act, 31 U.S.C. §5311, et seq., and the regulations promulgated thereunder.
30. NASD Rule 3011(c), which was renamed FINRA Rule 3310(c),² requires that firms that execute transactions on behalf of customers conduct an independent test of their AML compliance program on an annual basis.³

² On January 1, 2010, FINRA Rule 3310, FINRA's AML program rule, went into effect and replaced NASD Rule 3011.

³ NASD issued Notice to Members 02-21 in April 2002 to notify NASD members of this requirement.

31. NASD Rule 3011 (c) and FINRA Rule 3310(c) require an annual test for compliance to be "independent." Supplemental Material 3310.01 specifies that the independent test may not be conducted by a person who performs the functions being tested, the designated anti-money laundering compliance officer or any person who reports to someone in either of the foregoing categories.
32. Oakbrook Investment, acting through Stevens, failed to conduct an adequate independent test for calendar years 2007, 2008 and 2009. The tests conducted in 2007, 2008 and 2009 involved the completion of a checklist by Stevens' wife, after a discussion with Stevens. The tests did not include a review of Oakbrook Investment's AML procedures, nor did it include a review of the overall adequacy of the Firm's AML compliance program. The tests also did not include a review of whether Firm personnel implemented the procedures in conducting the Firm's business. In addition, the tests did not include a review of customer account documentation, securities transactions, money movements or other business-related activity in order to determine whether the AML compliance procedures, as implemented, resulted in compliance or non-compliance with the Bank Secrecy Act, the implementing regulations, FINRA Rule 3310 or its predecessor, NASD Conduct Rule 3011. Among other things, the tests did not evaluate the adequacy of the Firm's monitoring for and detection of suspicious activity, its training program, or the Firm's compliance with its Customer Identification Program. The tests also did not include a sample of all of the Firm's business lines. For the aforementioned reasons, the independent tests for 2007, 2008 and 2009 were inadequate.
33. Oakbrook Investment, acting through Stevens, failed to arrange for an independent test for the Firm's compliance with the AML Rules in 2010. The test for that year was conducted by CH, a registered representative with Oakbrook Investment, who was supervised by Stevens. Because the test was conducted by an individual who reported to the AML officer, the test for 2010 was not independent.
34. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated NASD Rules 2110 and 3011(c), and FINRA Rules 2010 and 3310(c).

Failure to Perform Searches in Response to FinCEN Requests

35. NASD Rule 3011(b), which was renamed FINRA Rule 3310(b) on January 1, 2010, requires that firms establish and implement policies, procedures and internal controls reasonably designed to achieve compliance with the Bank Secrecy Act and implementing regulations.

36. A regulation that implements the Bank Secrecy Act, 31 CFR 103.1010.520, requires FINRA firms that receive an information request from the Financial Crimes Enforcement Network ("FinCEN") to expeditiously search its records to determine whether it maintains or has maintained an account for, or has engaged in any transaction with, each individual, entity, or organization named in FinCEN's request (commonly known as "314(a) Requests").
37. From at least August 2006 to April 2010, Oakbrook Investment, acting through Stevens, failed to open and download 118 out of 146 FinCEN 314(a) Requests, and failed to evidence any searches of its records to determine if it maintained accounts for, or engaged in transactions with, individuals or entities listed on requests from FinCEN.
38. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated NASD Rules 2110 and 3011(b) and FINRA Rules 2010 and 3310(b).

**Failure to Evidence the Preparation of Reports and Certifications Required
by NASD Rules 3012 and 3013 and FINRA Rule 3130**

39. NASD Rule 3012 requires that firms designate and specifically identify a principal who shall establish, maintain, and enforce a system of control policies and procedures and prepare a report ("3012 Report") at least annually, which would: (a) detail the manner, method and review for testing and verifying that a firm's system of supervisory policies and procedures are designed to achieve compliance with applicable rules and laws; (b) provide a summary of the test results and the gaps in supervision which were found; and (c) identify the changes a firm made or needed to make to its supervisory procedures. The Rule also requires that the designated principal submit the 3012 Report to the firm's senior management.
40. NASD Rule 3013, now known as FINRA Rule 3130, requires each firm to prepare a report ("3130 Report") that identifies the process the firm follows to establish, maintain, review, test and modify its written compliance policies and written supervisory procedures. FINRA Rule 3130 also requires that each firm's Chief Executive Officer certify ("CEO Supervisory Certification") annually that the firm has processes in place to establish, maintain, review, test and modify written compliance policies and supervisory procedures reasonably designed to achieve compliance with applicable NASD and FINRA Rules, and federal securities laws and regulations.
41. Oakbrook Investment, acting through Stevens, failed to evidence the preparation of the test for the Firm's system of supervisory policies and

procedures as required by Rule 3012, and failed to prepare NASD Rules 3012 and 3013 Reports and FINRA Rule 3130 Reports for the years 2006 through 2011.

42. Further, Oakbrook Investment, acting through Stevens, failed to prepare and sign the annual CEO Supervisory Certification for the years 2006 through 2011.
43. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated NASD Rules 2110, 3012 and 3013, and FINRA Rules 2010 and 3130.

Failure to Timely Submit Requests for Rule 3012 Exception Notification

44. NASD Rule 3012(a)(2)(A) requires that a person who is senior to or otherwise independent of the firm's producing managers perform supervisory reviews of producing managers' customer accounts. NASD Rule 3012(a)(2)(A)(ii) provides a "Limited Size and Resources" exemption to the Rule for firms that are so limited in size and resources that there is no qualified person senior to or independent of the producing managers to conduct reviews pursuant to this Rule. The Rule requires that each firm, which believes it should be subject to this exemption, notify FINRA within 30 days of the date on which the firm first relied on the exemption and annually thereafter.
45. Oakbrook Investment, acting through Stevens, first notified FINRA of the need for the exemption on August 18, 2006, which required the Firm to submit notifications of its reliance on the exemption within 30 days annually after that date. The Firm, acting through Stevens, made no annual notifications in 2007, 2008 and 2009, and failed to file a second notification of its reliance on the exception until April 19, 2010.
46. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated NASD Rules 2110 and 3012, and FINRA Rule 2010.

Failure to Review and Promptly Update FINRA Contact Information and Business Continuity Plans

47. NASD Rule 1160 requires FINRA registered firms to report FINRA Contact Information ("FCI") to FINRA, and update its FCI no later than 30 days following any change in such information. The Rule also requires firms to review and, if necessary, update its required FCI within 17 business days after the end of each calendar year.
48. NASD Rule 3510(b), now known as FINRA Rule 4370(b), requires firms to update their Business Continuity Plans ("BCP") in the event of a material change to the firm's operations, business structure or location,

and to conduct an annual review of its BCP to determine whether any modifications are necessary in light of any of these changes.

49. On April 26, 2010, Oakbrook Investment, acting through Stevens, listed a representative as a contact person on its FCI, when that person had left the Firm's employment on January 4, 2010. Therefore, the Firm, acting through Stevens, failed to promptly amend its FCI, and to conduct an annual review of its FCI by the 17th business day of 2010. In addition, from April 2010 to November 29, 2011, the Firm, acting through Stevens, failed to identify any secondary emergency contact person on its FCI.
50. Oakbrook Investment, acting through Stevens, failed to conduct an annual review of its BCP and to update the Firm's BCP to show any material changes, for the years 2006 through 2009.
51. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated NASD Rules 1160, 2110 and 3510, and FINRA Rules 2010 and 4370.

**Willful Failure to Promptly Update Oakbrook Investment's Form BD,
Form BR and a Form U4 for a Registered Representative**

52. Article IV, Section 1(c) of the FINRA By-Laws requires all FINRA registered firms to keep their Uniform Application for Broker-Dealer Registration ("Form BD"), current at all times by filing required supplementary amendments. Amendments to the Form BD are required if the firm engages in a new type of business. Such amendments are required no later than 30 days after learning of facts or circumstances giving rise to the amendments.
53. Article IV, Section 8 of the FINRA By-Laws requires that each branch office of a FINRA registered firm be registered with FINRA and recorded on FINRA's records. The By-Law requires that each FINRA registered firm amend its Uniform Branch Office Registration Form ("Form BR") to disclose the opening, closing, relocation, or change in activities and personnel at each branch office, and Office of Supervisory Jurisdiction ("OSJ") no later than 30 days after the effective date of the changes.
54. Article V, Section 2(c) of the FINRA By-Laws requires all applications for registration, Uniform Application for Securities Industry Registration or Transfer ("Form U4"), to be kept current at all times by recording any required supplementary amendments. Such amendments must be filed no later than 30 days after learning of facts or circumstances giving rise to the amendments.

55. Oakbrook Investment, acting through Stevens, willfully failed to timely amend its Form BD, Form BR and one of its representative's Form U4, as described below:

- The Firm was executing bond transactions on or about March 24, 2009, however, it failed to disclose this business on its Form BD until August 6, 2010 (470 days late);
- The Firm began executing put and call options on March 31, 2010, however, it failed to disclose this business on its Form BD until August 6, 2010 (98 days late);
- One of the Firm's representatives was executing bond transactions from his home beginning on or about March 24, 2009, requiring that this location be listed as an OSJ, however, the Firm failed to disclose this location as an OSJ on its Form BR until July 15, 2010 (448 days late);
- Two of the Firm's representatives, working out of an office in Barrington, IL, were structuring and selling a public offering beginning in or about September 2007 and continuing until in or about May 2008, requiring that the location be listed as an OSJ on the Firm's Form BR. The Firm never disclosed this location as an OSJ;
- The Firm failed to timely remove two representatives from its Form BR when those representatives left the Firm's employment months or even years before; and
- One of the Firm's representatives informed Stevens on December 29, 2010 that he had become a director of an outside corporation, however, the Firm failed to disclose this information on his Form U4 until December 7, 2011 (313 days late).

56. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated: Article IV, Section 8 of NASD By-Laws; Article IV, Sections 1 and 8 and Article V, Section 2 of FINRA By-Laws; NASD Rule 2110, and FINRA Rule 2010.

Failure to Maintain Current Account Records

57. SEC Rule 17a-3(a)(17)(i)(B)(1) requires firms to send a copy of the account record or alternative document containing all of the customer information required to be recorded by SEC Rule 17a-3(a)(17)(i)(A) to each customer within 30 days of the opening of the account, and to update that information thereafter at intervals no greater than every 36 months.

58. At various times from April 2010 through December 2011, the Firm failed to update account information for numerous customer accounts within 36 months of the date the information was last recorded.
59. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated SEC Rule 17a-3, NASD Rules 2110 and 3110, and FINRA Rule 2010, and Stevens, violated NASD Rules 2110 and 3110, and FINRA Rule 2010.

**Failure to Enforce Supervisory Procedures, and
Reasonably Supervise Representatives**

60. From in or about August 2006 to in or about April 2010, Oakbrook Investment, acting through Stevens, knew that representatives were engaged in outside business activities, but the Firm and Stevens failed to require representatives to disclose their outside business activities in writing, as required by NASD Rule 3030 and the Firm's written supervisory procedures.
61. By virtue of the foregoing, Oakbrook Investment, acting through Stevens, violated NASD Rules 2110 and 3010 and FINRA Rule 2010.

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

1. An expulsion of Oakbrook Investment from registration with FINRA; and,
2. A bar of Stevens from associating with any FINRA registered firm in any capacity.

Respondent Stevens understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he 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 Rules 8310 and 8311).

Respondent Oakbrook Investment understands that if it is expelled from FINRA membership, it becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934.

Respondents understand that this settlement includes a finding that they willfully omitted to state a material fact on a Form U4, Form BD or Firm BR, and that

under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes Stevens subject to a statutory disqualification with respect to association with a member and Oakbrook Investment is subject to a statutory disqualification with respect to registration with FINRA.

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

Respondents specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against us;
- 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, Respondents specifically and voluntarily waive 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.

Respondents 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

Respondents 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 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 us; and**
- C. If accepted:**
 - 1. this AWC will become part of our permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against us;**
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about our 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. we 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. Respondents 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 our right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.**

Respondents certify that they have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that we 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 Respondents to submit it.

9/26/12
Date

Oakbrook Investment Brokers, Inc.

Robert G. Stevens
By Robert G. Stevens
Its President

9/26/12
Date

Robert G. Stevens
Robert G. Stevens
General Securities Principal

Reviewed by:

Counsel for Respondents

Accepted by FINRA:

10/12/12
Date

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

Richard S. Schultz
Richard S. Schultz
Senior Regional Counsel
FINRA Department of Enforcement
55 West Monroe Street, Suite 2700
Chicago, Illinois 60603-5052
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Oakbrook Investment March 31, 2010 Net Capital Computation

	<u>Firm</u>	<u>Staff</u>	<u>Difference</u>
Total Net Worth	\$47,705.95	\$32,149.58	\$ 15,556.37 (A)
Non-Allowable Assets	1,612.11	1,612.11	
Tentative Net Capital	46,093.84	30,537.47	
Haircuts	0.00	0.00	
Net Capital	\$46,093.84	\$30,537.47	
Minimum Requirement	5,000.00	5,000.00	
Excess Net Capital	\$41,093.84	\$25,537.47	\$ 15,556.37

(A) Staff's Adjustments

Firm's Total Net Worth	\$47,705.95		
Less: Commission Payable		(8,567.00)	The firm failed to accrue a liability for the commissions payable to its representatives.
Plus: Aged Liability		1,642.00	The firm had apparently aged liability on its books that it was unable to support; staff did not include it in the calculation
Adjustment: Cash basis to Accrual Basis		(8,581.73)	The firm was booking an Other Asset that was found to actually be an adjustment from Cash basis to Accrual Basis. This was found to be an
Less: Unsecured Debit		(50.00)	The firm failed to recognize its unsecured debits from its clearing firm.
Rounding error		0.36	
Staff's Total Net Worth		\$32,149.58	

Oakbrook Investment October 31, 2011 Net Capital Computation

	<u>Firm</u>	<u>Staff</u>	<u>Difference</u>
Total Net Worth	\$32,868.62	\$31,791.64	\$ 1,076.98 (A)
Non-Allowable Assets	490.72	490.72	
Tentative Net Capital	<u>32,377.90</u>	<u>31,300.92</u>	
Haircuts	0.00	0.00	
Net Capital	<u>\$32,377.90</u>	<u>\$31,300.92</u>	
Minimum Requirement	5,000.00	5,000.00	
Excess Net Capital	<u>\$27,377.90</u>	<u>\$26,300.92</u>	\$ 1,076.98

(A) Staff's Adjustments

Firm's Total Net Worth	\$32,868.62		
Plus: Negative Accts Receivable reclassified as a Liability		711.93	The firm improperly classified amount due to clearing firm as a negative account receivable.
Less: Accts Receivable reclassified as a Liability		(711.93)	This is the proper classification for the amount due to clearing firm.
Less: Discover Credit Card Payable		(134.99)	The firm failed to properly accrue expenses not paid at the end of October.
Less: Cbeyond T-1 Line Fee Payable		(536.99)	The firm failed to properly accrue expenses not paid at the end of October.
Less: Vandenbroucke CPA Fee Payable		(205.00)	The firm failed to properly accrue expenses not paid at the end of October.
Less: Smarsh Email Fee Payable		(200.00)	The firm failed to properly accrue expenses not paid at the end of October.
Staff's Total Net Worth		\$31,791.64	