

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

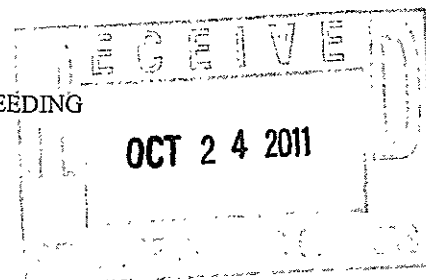
Brent R. Bishop (CRD No. 2348912),

Respondent.

DISCIPLINARY PROCEEDING

No. 2010021827701

COMPLAINT



The Department of Enforcement alleges:

SUMMARY

1. During the period February 2010 through August 2010, while registered with FINRA member PrimeVest Financial Services, Inc., Respondent Brent R. Bishop misappropriated approximately \$40,000 from PrimeVest customers in violation of FINRA Rules 2150 and 2010.
2. During the period September 2009 through August 2010, Bishop borrowed approximately \$78,000 from PrimeVest customers contrary to the firm's policies and procedures and without the firm's written pre-approval in violation of NASD Rule 2370 and FINRA Rules 3240 and 2010.
3. In addition, Bishop failed to comply with two letters from FINRA staff requesting that he provide documents and information pursuant to FINRA Rule 8210. Bishop also failed to appear and provide on-the-record testimony as requested by FINRA staff pursuant to FINRA Rule 8210. Accordingly, Bishop violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

4. Bishop entered the securities industry in April 1993 with Dean Witter Reynolds, Inc. Bishop obtained his Series 7 license in June 1993 and his Series 24 license in November 1997. He maintained both licenses throughout his time in the industry.

5. Bishop was registered with various FINRA member firms prior to January 2009, when he joined PrimeVest. At PrimeVest, Bishop was a Registered Representative and Investment Executive at the firm's Tulsa office. PrimeVest terminated Bishop's registration on August 27, 2010.

6. Although Bishop has not been associated with a FINRA member firm since August 27, 2010, *he remains subject to FINRA's jurisdiction for purposes of this proceeding—pursuant to Article V, Section 4 of FINRA's By-Laws of the Corporation—because (1) this Complaint was filed within two years after the date upon which he ceased to be associated with a FINRA member and (2) this Complaint charges him with misconduct committed while he was associated with a FINRA member.*

FIRST CAUSE OF ACTION Misappropriating Customer Funds (Violations of FINRA Rules 2150 and 2010)

7. Enforcement realleges and incorporates by reference paragraphs 1 through 6 above.

8. In February 2010, Bishop enticed two of his PrimeVest customers, CP and KP, to give him \$20,000 for a fictitious investment in a "Loan Pool Trust."

9. Bishop accepted from CP and KP a \$20,000 cashier's check dated February 9, 2010, made payable to "Brent Robert Bishop."

10. In exchange for \$20,000, Bishop gave CP and KP a certificate purporting to reflect a \$20,000 investment in “Loan Trust # 120 – 007” for a three-year term earning approximately 7% interest.

11. This certificate was false and misleading. There was no “Loan Trust # 120 – 007.”

12. Bishop did not invest CP and KP’s \$20,000 on their behalf. Rather, Bishop converted the funds to his own personal use by depositing CP and KP’s funds into a personal bank account he controlled and using the funds to pay for personal expenses.

13. In or about June 2010, Bishop enticed another of his PrimeVest customers, LH, to give him \$20,000 for a fictitious investment in a “Loan Pool Trust.”

14. In exchange for \$20,000, Bishop gave LH two certificates purporting to reflect a total investment of \$20,000 in “Loan Pool Trust # 23” for 24-month terms earning approximately 7% interest.

15. These certificates were false and misleading. There was no “Loan Pool Trust # 23.”

16. Bishop did not invest LH’s \$20,000 on her behalf. Rather, Bishop converted the funds to his own personal use.

17. Thus, Bishop misappropriated \$40,000 from three PrimeVest customers by taking their money in exchange for false and misleading “Loan Pool” and “Loan Pool Trust” certificates.

18. By misappropriating \$40,000 from customers as described above, Bishop violated FINRA Rule 2150. Bishop also violated FINRA Rule 2010 by virtue of the Rule 2150 violation and, separately and distinctly, as a result of his misappropriation, In addition, by creating false

documents and making false statements to customers in furtherance of his misappropriation, Bishop separately and distinctly violated FINRA Rule 2010.

**SECOND CAUSE OF ACTION
Borrowing from Customers
(Violations of NASD Rule 2370 and FINRA Rules 3240, and 2010)**

19. Enforcement realleges and incorporates by reference paragraphs 1 through 18 above.

20. Beginning in September 2009, Bishop borrowed money from several of his PrimeVest customers as follows:

BISHOP'S PRIMEVEST CUSTOMER(S)	AMOUNT BORROWED BY BISHOP	DATE BORROWED
SK and JK	\$20,000	September 21, 2009
EM	\$15,000	July 6, 2010
LH	\$10,000	July 17, 2010
LH	\$5,000	July 29, 2010
MG	\$5,000	August 2, 2010
RC and CC	\$8,000	August 3, 2010
DH	\$8,000	August 9, 2010
JB and TB	\$3,000	August 18, 2010

21. In connection with each of these loans and in exchange for a check from the customer or customers identified above, Bishop executed a document titled "Promissory Note" or "Installment Note" that purported to set forth the terms of the loans, including the principal amount, interest rate, and repayment period. Those notes stated an annual interest rate of 7% and loan periods ranging from one year to four years.

22. PrimeVest's written supervisory procedures prohibited borrowing money from customers other than immediate family members, and Bishop never sought PrimeVest's permission to borrow money from any customers.

23. PrimeVest did not pre-approve in writing any of the loans identified above.

24. None of the customers from whom Bishop borrowed money were a member of his immediate family, were a financial institution regularly engaged in the business of providing credit or loans, or were registered persons at PrimeVest. Moreover, none of the loans were based solely on a personal relationship between Bishop and the customer or were based on a business relationship between Bishop and the customer outside of the broker-customer relationship.

25. By borrowing approximately \$20,000 from a customer in September 2009 as described above, Bishop violated NASD Rule 2370 and FINRA Rule 2010. By borrowing approximately \$54,000 from customers during the period July 2010 through August 2010 as described above, Bishop violated FINRA Rules 3240 and 2010.

**THIRD CAUSE OF ACTION
Failure to Respond to Requests for Information
Failure to Appear at an On-the-Record Interview
(FINRA Rules 8210, and 2010)**

26. Enforcement realleges and incorporates by reference paragraphs 1–25 above.

27. FINRA staff sent a written request for information to Bishop at the residential address reflected in the Central Registration Depository (“CRD address”) pursuant to FINRA Rule 8210 on February 8, 2011. The letter was mailed by Federal Express and First Class U.S. Mail. Bishop failed to respond by the requested deadline.

28. On February 16, 2011, FINRA staff sent Bishop a second request pursuant to FINRA Rule 8210, enclosing a copy of the February 8, 2011 request, to Bishop’s CRD address. This second request letter was sent by First Class and Certified U.S. Mail. The letter was delivered. The United States Postal Service return receipt card appears to contain the signature of “B___ Bishop,” with a date of February 22, 2011. Bishop failed to respond by the requested deadline.

29. On May 16, 2011, FINRA staff sent Bishop a letter requesting that he appear for an on-the-record interview pursuant to and in accordance with the provisions of FINRA Rule 8210. The interview was scheduled to take place at 1801 K Street NW, Suite 800, Washington, D.C., on June 15, 2011. The request for Bishop to appear at his on-the-record interview was sent by First Class and Certified U.S. Mail to Bishop's CRD address. The letter was delivered. The United States Postal Service return receipt card appears to contain the signature of "B Bishop," with a date of May 20, 2011.

30. On June 15, 2011, Bishop failed to appear for his on-the-record interview.

31. On Sunday, June 19, 2011, Bishop left a voice mail message for a FINRA staff member conducting the investigation that led to this proceeding. In the voicemail, Bishop acknowledged receiving the letters described above but claimed he had only recently learned of the letters because he was homeless and had not been at the CRD address in over a year. In the voicemail, Bishop stated that he would contact the staff to discuss the matter further. Bishop did not leave a phone number where the staff could contact him, and he has not contacted the staff since.

32. As a result of the foregoing conduct, Bishop violated FINRA Rules 8210 and 2010.

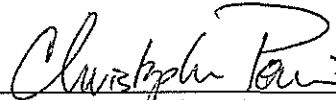
RELIEF REQUESTED

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: 10/24/2011



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