

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20100249006**

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

RE: Matthew Leon Bradakis, Respondent
Former Registered Representative
CRD No. 2800107

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I 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

Bradakis entered the securities industry in August 1996 as a registered representative trainee with Edward D. Jones & Co., L.P. (the "Firm") and was approved as a registered representative in November 1996. On October 27, 2010, the Firm filed a Uniform Termination Notice For Securities Industry Registration or Transfer ("Form U5"), reporting the termination of Bradakis's association with the Firm on September 28, 2010. The Form U5 also reported that Bradakis's association with the Firm was terminated for an undisclosed transaction with a customer away from the Firm and Bradakis's use of a customer's funds for personal purposes.

RELEVANT DISCIPLINARY HISTORY

Bradakis has no relevant disciplinary history.

OVERVIEW

From approximately February 2007 to September 2007, while associated as a registered representative with the Firm, Bradakis converted \$80,000 he received from an elderly Firm customer, BKS. On or about February 25, 2007, BKS provided Bradakis \$80,000 to purchase a condominium that was to be jointly titled in BKS's and Bradakis's names. However, Bradakis used BKS's money to pay his personal expenses and to purchase two condominiums in Bradakis's name for his sole benefit and without BKS's knowledge or consent. In addition, Bradakis failed to comply with a request for information made pursuant to FINRA Rule 8210.

FACTS AND VIOLATIVE CONDUCT

Relevant Rules

NASD Rule 2330(a) provides that "[n]o member or person associated with a member shall make improper use of a customer's securities or funds." An associated person makes improper use of a customer's funds when he or she fails to apply the funds or uses them for some purpose other than as directed by the customer. FINRA Rule 8210 (formerly known as NASD Rule 8210) authorizes FINRA, in the course of its investigations, to require persons associated with a FINRA member to "provide information orally, in writing, or electronically... and to testify at a location to be specified by [FINRA] staff, under oath or affirmation...with respect to any matter involved in the investigation." Rule 8210 also provides that FINRA shall have the right to "inspect and copy the books, records, and accounts of such member or person with respect to any matter involved in the investigation." NASD Conduct Rule 2110 and FINRA Rule 2010 require registered representatives to observe high standards of commercial honor and just and equitable principles of trade.

Conversion of Customer Funds

Sometime prior to February 2007, BKS, an elderly Firm customer of Bradakis, received an inheritance of approximately \$80,000 from a relative. BKS informed Bradakis of her desire to move to be close to her family in the event of her husband's death. Bradakis recommended to BKS that she use her inheritance to purchase a condominium that BKS could use at times and later become her residence once her husband passed away.

BKS agreed to purchase a condominium and asked Bradakis to purchase the condominium on her behalf in BKS's and Bradakis's names. Bradakis began a search for a suitable condominium for BKS and presented potential properties for BKS's consideration. BKS chose a condominium ("Condo"). Bradakis instructed BKS to write a check payable to Bradakis in the amount of \$80,000 so that he could make a down payment on the Condo. On or about February 25, 2007, BKS delivered to Bradakis a check for \$80,000 payable to Bradakis drawn from BKS's

checking account at her Bank for the purchase of the condominium. Bradakis did not inform the Firm about these dealings or that he was receiving funds from a Firm customer.

In or about March 2007, Bradakis deposited BKS's \$80,000 personal check into an account Bradakis controlled in the name of MLB Properties, L.L.C. at his bank. Bradakis used approximately \$25,381.89 of BKS's funds for his personal use -- approximately \$15,381.89 to repay margin debt in his personal securities account at the Firm, and \$10,000 as a down payment to purchase a condominium in Auburn, Alabama for himself as the sole owner.

In September 2007, Bradakis used \$43,000 of BKS's funds as a down payment on the purchase of the Condo with Bradakis as the sole grantee. On or about September 27, 2007, a Warranty Deed from KPI, the seller, conveying the Condo solely to Bradakis, was recorded. Thereafter, in or about October 2007, Bradakis created and delivered a document titled "Deed of Ownership" ("DOO") to BKS. The purported DOO stated:

For consideration received in the amount of \$80,000 (eighty thousand dollars). This deed acknowledges that [BKS] has a 49% interest in the following property: Condominium located at [address of the Condo].

It is further acknowledged that the remaining 51% in said condominium is owned by MLB Properties LLC, with Matthew Bradakis being managing member of aforementioned LLC.

Bradakis and BKS signed the DOO, which was not notarized. Bradakis did not record the DOO. Therefore, Bradakis remained the sole grantee of the Condo. Bradakis rented the Condo to third parties with BKS's understanding that the rental income would be used to pay the mortgage payments. Bradakis received additional funds from BKS to pay expenses associated with the Condo, including maintenance expenses.

On or about November 9, 2010, the Firm settled with BKS and paid her \$95,000. At or about the same time, Bradakis also paid \$5,000 to BKS. Later, in or about January 2011, Bradakis paid \$75,000 to the Firm to reimburse the Firm's settlement with BKS.

By converting BKS's funds, Bradakis violated NASD Conduct Rules 2330 and 2110.

Failure to Cooperate

On January 26, 2012, Enforcement sent a letter by first class mail and email to Bradakis via his counsel. The letter requested, pursuant to FINRA Rule 8210,

that Bradakis provide by February 7, 2012, a detailed written statement regarding his receipt and use of BKS's \$80,000. The letter also advised Bradakis that, pursuant to FINRA Rule 8210, failure to respond to Enforcement's request could lead to sanctions, including a permanent bar from the securities industry. On February 7, 2012, the staff received a telephone message from Bradakis's counsel stating that Bradakis would not provide the requested information. To date, Bradakis has not provided the requested written statement to Enforcement.

By failing to comply with a request for information, Bradakis violated FINRA Procedural Rule 8210 and FINRA Conduct Rule 2010.

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

- A censure and bar from association with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I 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).

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

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

- A. To have a Complaint issued specifying the allegations against me;
- 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, I 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.

I 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

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

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

6-5-12
Date

Matthew Leon Bradakis
Matthew Leon Bradakis

Reviewed by:

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Accepted by FINRA:

6-19-12
Date

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

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