

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011026367401**

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

RE: Brendan R. Murton, Respondent
CRD No. 2509502

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Brendan R. Murton submits 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 him 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

In November 1993, Respondent Brendan R. Murton began his career in the financial industry working as a life insurance agent in Las Vegas, Nevada, with Primerica Life Insurance Company, an affiliate of PFS Investments, Inc. (hereinafter, "PFSI"). In July 1994, he obtained a Series 6 license and worked as an Investment Company Products/Variable Annuity Contract Representative ("IR") at a PFSI branch office located in South Jordan, Utah. In January 1996, Murton obtained a Series 26 license and worked as an Office of Supervisory Jurisdiction Supervisor ("OSJS") and IR. Murton is currently working as an IR at PFSI and remains under FINRA's jurisdiction. On January 20, 2011, the Utah Division of Securities suspended Murton for five business days from acting as a securities agent and two years as a securities principal, and fined him \$10,000 for failing to supervise (based on the same facts discussed herein).

OVERVIEW

For the period October 2007 through December 10, 2008 ("the relevant period"), Murton's employing firm required that OSJSs perform annual on-site supervisory visits of each branch office assigned to the OSJS. Murton was assigned the responsibility of performing numerous on-site visits as an OSJS during the relevant period. However, he failed to perform 26 of those visits and instead improperly delegated those responsibilities to two unregistered individuals. By doing so, he failed to carry out his supervisory responsibilities and thereby violated NASD Rules 3010 and 2110.

Murton submitted or caused to be submitted forms prepared by his staff which falsely indicated that he had performed the on-site visits when he had not done so. Murton thereby caused his firm's books and records to be false and thus violated NASD Rules 3110 and 2110.

FACTS AND VIOLATIVE CONDUCT

Murton's Failure to Supervise

During the relevant period, Murton's employing firm's written supervisory procedures required that OSJSs perform annual supervisory branch office visits, called Leadership Visits ("LVs"), for each branch office assigned to the OSJS. The firm's written supervisory system and procedures required OSJSs to perform on-site interviews of branch managers and reviews of branch office files for compliance with securities laws and regulations and the firm's policies. OSJSs were also required to ensure the correction of any field audit exceptions, business practices, and procedures identified during prior LVs. Additionally, OSJSs were expected to provide compliance training and guidance to registered representatives during LVs. OSJSs were permitted to delegate the LVs to individuals who were registered as principals and approved by the firm to perform that function.

During the relevant period, Murton delegated his responsibility as an OSJS for performing numerous on-site visits to unregistered staff. He did so in 26 instances, which were 59% of the total number of LVs assigned to Murton during the relevant period. Murton also failed to obtain the firm's required approval to permit him to delegate these responsibilities to someone else. Moreover, because the individuals to whom he delegated the responsibilities were not registered, the firm would not have authorized him to assign the responsibilities to those individuals. By failing to perform his supervisory responsibilities and instead delegating them to two unregistered persons, Murton violated NASD Rules 3010 and 2110.

Murton Caused PFSI's Books and Records to be False

During the relevant period, PFS required OSJSs to submit completed LV forms in order to document their performance. Completed LV forms included the name of the OSJS and the appointee (if any) who performed each LV.

During the relevant period, Murton submitted or caused to be submitted 26 LV forms, prepared by his staff, that reflected that he had performed LVs when in fact they had been performed by two non-licensed and non-firm approved appointees. Each of the LV forms falsely identified Murton as the individual who had performed the LVs. The forms became part of the firm's books and records. Murton thereby violated NASD Rules 3110 and 2110.

OTHER FACTORS

In determining the appropriate sanctions, FINRA took into account Utah's disciplinary action based on the facts set forth herein. The Utah Division of Securities found that Murton failed to reasonably supervise by delegating the Leadership Visits required of him as an OSJ supervisor to unlicensed and unqualified individuals in contravention of firm policy and industry standards. Utah imposed sanctions of a \$10,000 fine, a five business day suspension in all capacities, a two-year suspension from acting in a principal capacity, and a requirement that Murton requalify by examination before acting in a principal capacity.

- B. Murton also consents to the imposition of the following sanctions:
1. A 30-day suspension in all capacities;
 2. A requirement to qualify or requalify by examination before acting in any principal capacity;
 3. A \$5,000 fine.

Murton agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Murton has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Murton specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

Murton 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, Murton 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).

II.

WAIVER OF PROCEDURAL RIGHTS

Murton specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- 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, Murton specifically and voluntarily waives 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.

Murton further specifically and voluntarily waives 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

Murton understands that:

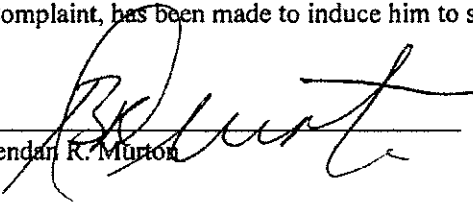
- A. Submission of this AWC is voluntary and will not resolve this matter unless and

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;

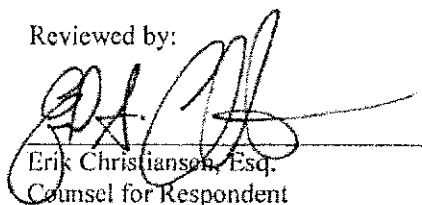
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against him; and
- C. If accepted:
 - 1. this AWC will become part of his permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about his 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. Murton 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. Murton 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 his right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Murton may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Murton understands that he may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

Murton certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has 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 him to submit it.

Nov 5, 2012
Date


Brendan R. Murton

Reviewed by:

A handwritten signature in black ink, appearing to read "Erik Christianson", is written over a horizontal line.

Erik Christianson, Esq.

Counsel for Respondent

Parsons Behle & Latimer

201 S. Main St., Ste. 1800

Salt Lake City, UT 84111

801-536-6719

Accepted by FINRA:

11/19/12
Date

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

Thomas B. Lawson
Thomas B. Lawson
Vice President & Chief Counsel
FINRA Department of Enforcement
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3rd floor
Rockville, MD 20850-3241