

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110279926**

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

RE: Douglas Gregory Bezio, Respondent
General Securities Representative
CRD No. 1935693

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Douglas Gregory Bezio ("Bezio" or "Respondent") 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 alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Bezio hereby accepts and consents, 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

Bezio entered the securities industry in March 1989. Since that date, Bezio has been sequentially registered as a general securities representative with three FINRA member firms.

Bezio was registered with LPL Financial Corporation ("LPL" or the "Firm") as a general securities representative from September 1990 through April 10, 2009. In June 2009, the Firm filed a Form U-5, reporting that Bezio had been "permitted to resign because of differences in investment philosophy."

Bezio was subsequently employed with another Finra member beginning in May 2009. On October 12, 2011, Bezio voluntarily resigned from that firm, and has not been employed in the securities industry since. FINRA retains jurisdiction over Bezio pursuant to Article V, Section 4 of the FINRA Bylaws.

OVERVIEW

During the period from April 2004 through August 2008 ("Relevant Period"), Bezio recommended and effected 46 unsuitable purchases of Class A mutual fund shares with respect to one customer account he handled at the Firm. In addition, Bezio effected two unauthorized trades for two additional customer accounts in 2009.

During the course of the Department of Enforcement's investigation of this matter, Bezio failed to appear as scheduled for his on-the-record testimony, thereby failing to comply in a timely fashion with Enforcement's request for testimony, in violation of FINRA Rules 8210(c) and 2010. Bezio has subsequently agreed to testify in accordance with Enforcement's requests.

FACTS AND VIOLATIVE CONDUCT

Unsuitable and Excessive Trading

During the Relevant Period, Bezio handled multiple securities accounts for Customer B and his wife ("Mr. and Mrs. B"), including a fee-based advisory account (the "Joint Account").

During the Relevant Period, Bezio recommended and effected 46 purchases and sales of Class A mutual funds for the Joint Account, without informing Mr. and Mrs. B of the sales charges and fees associated with purchasing Class A shares and mutual funds.

In connection with these purchases of Class A shares, Mr. and Mrs. B were charged a front-end sales load. The purchase of Class A shares (as opposed to Class B or C shares) was only advantageous to Mr. and Mrs. B if they held the mutual funds on a long-term basis.

However, Mr. and Mrs. B held the majority of these mutual funds for less than 18 months. None were held longer than four years and three months.

In light of the fact that the majority of the mutual fund purchases recommended by Bezio were held on a short-term basis, Bezio lacked reasonable grounds for believing that his recommendations to buy Class A mutual funds shares were suitable for Mr. and Mrs. B.

Accordingly, Bezio's recommendations to purchase Class A shares for the Joint Account during the Relevant Period violated NASD Conduct Rules 2310 and 2110.

Unauthorized Trading

During the Relevant Period, Bezio handled multiple securities accounts at the Firm for Customer D and his wife. Bezio did not have written or verbal authorization to exercise discretion for any of Customer D's securities accounts.

On February 17, 2009, Bezio effected two purchases of bond funds, totaling approximately \$44,000, for Customer D's account without obtaining Customer D's prior approval or consent.

Although Customer D initially objected to these purchases, Customer D subsequently decided to keep the two bond funds in his accounts.

Based on the conduct described above, Bezio engaged in unauthorized trading in violation of NASD Conduct Rule 2110 and IM 2310-2.

Failure to Timely Cooperate with Enforcement's Investigation

In connection with Enforcement's investigation of this matter, Enforcement sent Bezio a letter dated May 2, 2012, scheduling his testimony on June 5, 2012, at FINRA's district office located at 88 High Street, Boston, Massachusetts.

Although Bezio received the May 2 Letter, he failed to appear for his testimony as scheduled, in violation of FINRA Rules 8210 and 2010. Bezio also failed to inform Enforcement in advance that he would not appear.

By letter dated June 13, 2012, Enforcement subsequently rescheduled Bezio's on-the-record testimony for July 2, 2012, at FINRA's New York City office, located at One World Financial Center, New York, New York (the "June 13 Letter"). Enforcement sent the June 13 Letter to Bezio at the same address where Bezio previously received the May 2 Letter, which is listed as Bezio's residential address in CRD.

Bezio failed to appear as scheduled for the July 2, 2012 rescheduled date, in violation of FINRA Rules 8210 and 2010. He has since agreed to testify as directed by Enforcement.

B. Bezio also consents to the imposition of the following sanctions:

1. a six-month suspension from associating with any FINRA member in any capacity, and
2. a fine of \$10,000. This fine shall be due and payable either immediately upon reassociation with a member firm following the six-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding,

whichever is earlier.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

Bezio 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.

II.

WAIVER OF PROCEDURAL RIGHTS

Bezio 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, Bezio 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.

Bezio 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.

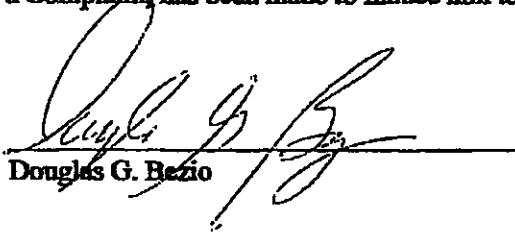
OTHER MATTERS

Bezio 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 Bezio and
- C. If accepted:
 - 1. this AWC will become part of Bezio's 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. Bezio 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. Bezio 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 Bezio's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Bezio may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Bezio 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.

Bezio 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.

Date: October 22, 2012

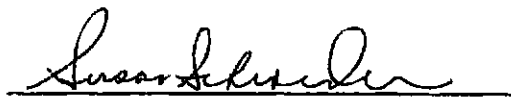


Douglas G. Bezio

Accepted by FINRA:

11/15/2012
Date

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



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