

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF MARKET REGULATION,

Complainant,

v.

BRADLEY HAMPTON
(CRD No. 5636883),

Respondent.

Disciplinary Proceeding
No. 20110281905

Hearing Officer – RSH

DEFAULT DECISION

May 18, 2012

Respondent was barred from associating with any FINRA-registered firm in any capacity for failing to appear for testimony, in violation of Rules 8210 and 2010, and providing false information to his firm, in violation of Rule 2010.

Appearances

Lora W. Alexander and James J. Nixon, for the Department of Market Regulation.

No appearance by or on behalf of Bradley Hampton.

DECISION

I. Introduction

The FINRA Department of Market Regulation (“Market Regulation”) filed the attached Complaint with the Office of Hearing Officers on September 12, 2011. The Complaint charges Bradley Hampton (“Respondent”) with providing false information to his member firm, in violation of Rule 2010, and failing to appear for testimony, in violation of Rules 8210 and 2010.¹

¹ The FINRA Rules, which include NASD Procedural and Conduct Rules, are available at www.finra.org/Rules. On December 15, 2008, the first phase of new consolidated FINRA Rules went into effect. *See*, Regulatory Notice 08-57.

Respondent did not answer or otherwise respond to the Complaint. Accordingly, on April 23, 2012, Market Regulation filed a Motion for Entry of Default Decision and Request for Sanctions (“Default Motion”) with the Office of Hearing Officers, together with the declaration of Lora W. Alexander, Esq. (“Decl.”) and three exhibits.² For the reasons set forth below, the Hearing Officer found Respondent in default and granted Market Regulation’s Default Motion.

II. Default

Under FINRA Rule 9134, mailing a complaint to a respondent’s residential address as shown in the Central Registration Depository (“CRD”) by certified mail generally constitutes valid service. However, because Respondent was a non-registered fingerprint employee of a FINRA-registered firm, his CRD record does not include his residential address. Market Regulation obtained Respondent’s residential address (“Residential Address”) and another address (“Second Address”) through a LEXIS/NEXIS search, and confirmed the addresses with his former FINRA-registered employer. Market Regulation served the Respondent using a process server called “It’s Your Serve, Inc. (“Process Server”).³

On February 2, 2012, Market Regulation served the Complaint and the First Notice of Complaint on Respondent at the Second Address using the Process Server.⁴ The Process Server verified by affidavit that it had personally served Respondent. Respondent did not answer or otherwise respond to the Complaint.

On March 5, 2012, Market Regulation served a Second Notice of Complaint and a copy of the Complaint on Respondent by Process Server to his Second Address.⁵ The Process Server

² Market Regulation’s exhibits are labeled CX-1 through CX-3.

³ Decl. at ¶ 6.

⁴ Decl. at ¶ 7.

⁵ Decl. at ¶ 8; CX-3.

verified by affidavit that it had personally served Respondent. Respondent did not answer or otherwise respond to the Complaint.⁶

The Hearing Officer finds that the Complaint was properly served on Respondent. To date, Respondent has not answered or otherwise responded to the Complaint. Accordingly, the Hearing Officer holds the Respondent in default and deems the allegations in the attached Complaint admitted pursuant to Rules 9215(f) and 9269(a).

III. Findings of Fact and Conclusions of Law

A. Origin of the Complaint

FINRA's Office of Fraud Detection and Market Intelligence initiated an investigation of Respondent's conduct after receiving a tip filed by an employee of FINRA's Operations Department. As a result of the investigation, Market Regulation filed the Complaint.⁷

B. Jurisdiction

Respondent first became associated with a FINRA-registered firm in January 2009, when he began working as a non-registered fingerprint trading assistant in Wells Fargo Advisors LLC's ("Wells Fargo") Equity Operations division. Respondent was associated with Wells Fargo from January 2009 through June 22, 2011, when he was terminated. He has not been associated with a FINRA-registered firm since then.⁸

FINRA has jurisdiction over this disciplinary proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after he ceased to be associated with a FINRA-registered firm, and (2) the Complaint charges him with misconduct that occurred while he was associated with a FINRA-registered firm, and with failing to appear

⁶ Decl. at ¶ 10; CX-3.

⁷ Decl. at ¶ 2.

⁸ Decl. at ¶¶ 3-5; CX-1.

for testimony during the two-year period after he ceased to be associated with a FINRA-registered firm.⁹

C. Providing False Information to Firm

The First Cause of Action alleges that Respondent violated Rule 2010 by providing false information to Wells Fargo. In January 2011, Respondent responded to a job posting with Wells Fargo for a product specialist liaison position in the firm's fixed income department. A Series 7 license was not required at the time Respondent applied for the job, but the firm required that he obtain the license within six months of starting the position.

In early January 2011, Respondent told his firm that he was taking the day off from work to take the Series 7 exam. In fact, Respondent was not eligible to take the Series 7 exam because the firm's compliance department had not filed a Form U4 for him and had not opened an exam window for him to take the exam.

On March 23, 2011, Respondent created a fictitious email that appeared to be from BrokerCheck, notifying him that he was registered with FINRA. In early April 2011, Respondent interviewed for the product specialist liaison job and was offered a start date of April 4, 2011. During the interview, Respondent told Wells Fargo that he held a Series 7 license, even though he knew that he had not obtained the license. On or about April 4, 2011, he provided the firm with a copy of the fictitious email he had created. After further review, Wells Fargo learned that Respondent did not in fact have a Series 7 license and was not registered with FINRA.

When confronted about the discrepancy, Respondent claimed that he was having trouble getting his registration to appear on BrokerCheck and continued to try to deceive the firm by falsely stating that his test score was at home, and that he would provide a copy to the firm. On

⁹ See Article V, Sec. 4(a), FINRA By-Laws, available at www.finra.org/Rules (then follow "FINRA Manual" hyperlink to "Corporate Organization: By-Laws").

June 22, 2011, Wells Fargo confronted Respondent with the fictitious email and Respondent admitted that he had fabricated it. The firm terminated his employment that day.

FINRA Rule 2010 provides that members “shall observe high standards of commercial honor and just and equitable principles of trade.” The Hearing Officer finds that the facts alleged in the First Cause of Action are sufficient to establish that, by providing false information to his firm, Respondent violated Rule 2010.

D. Failure to Appear for Testimony

The Second Cause of Action alleges that Respondent failed to appear for testimony in connection with FINRA’s investigation of Respondent’s conduct, and thereby violated Rules 8210 and 2010.

On June 30, 2011, FINRA staff sent Respondent a letter by certified mail and FedEx, to his Residential Address and his Second Address. The letter requested, pursuant to Rule 8210, that Respondent appear to testify concerning his statements to his firm as discussed in the First Cause of Action. FedEx confirmed delivery of the mailing to Respondent; however, the certified mailing was returned as unclaimed. On July 8, 2011, FINRA left a voicemail message for Respondent asking him to contact the staff concerning his testimony. Respondent returned the call and left a voicemail saying that he had received the Rule 8210 letter. Respondent failed to respond to additional calls from FINRA. On July 19, 2011, he failed to appear for testimony.¹⁰

The Hearing Officer finds that the foregoing facts establish that Respondent violated Rule 8210 by failing to appear for testimony. A violation of Rule 8210 is also a violation of Rule 2010.¹¹

¹⁰ Decl. at ¶¶ 24-30.

¹¹ *Department of Enforcement v. Hoeper*, No. C02000037, 2001 NASD Discip. LEXIS 37, at *5 (NAC Nov. 2, 2001).

IV. Sanctions

A. Providing False Information to Firm

Relevant Principal Considerations in FINRA Sanction Guidelines (“Sanction Guidelines”) recommend that adjudicators consider case-specific factors in imposing sanctions including: (1) whether the respondent engaged in the misconduct over an extended period of time; (2) whether the respondent attempted to conceal his misconduct or deceive his member firm; and (3) whether the respondent’s misconduct was the result of an intentional act.¹²

In this case, Respondent intentionally tried to deceive his member firm, over a number of months, in order to obtain a position for which he was not qualified. He further attempted to conceal his conduct by fabricating fictitious emails. Respondent’s conduct is egregious, and demonstrates that he lacks the integrity and honesty required of members of the securities industry.

For violating Rule 2010 by providing false information to his firm, the Hearing Officer finds that the Respondent should be barred from associating in any way with any FINRA-registered firm.

B. Failure to Appear for Testimony

A violation of Rule 8210 is serious because Rule 8210 is a key element in FINRA’s oversight function and allows FINRA to carry out its regulatory functions without subpoena power.¹³ When an individual fails to provide information, FINRA’s ability to perform its regulatory functions is subverted.¹⁴ For these reasons, the Sanction Guidelines recommend a bar when a respondent fails to respond in any manner to a request for information issued pursuant to

¹² FINRA Sanction Guidelines 6 (2011 ed.) www.finra.org/sanctionguidelines.

¹³ *Howard Brett Berger*, Exchange Act Rel. No. 58950, 2008 SEC LEXIS 3141 (Nov. 14, 2008); *Joseph G. Chiulli*, Exchange Act Rel. No. 42359, 2000 SEC LEXIS 112, at *16 (Jan. 28, 2000).

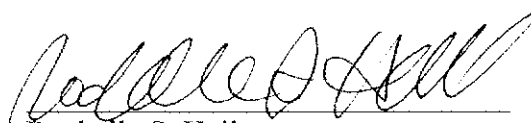
¹⁴ *Joseph Patrick Hannan*, Exchange Act Rel. No. 40438, 1998 SEC LEXIS 1955, at *9 (Sept. 14, 1998).

Rule 8210.¹⁵ Respondent failed to appear for investigative testimony. There is no evidence of any mitigating facts that would justify a sanction less than a bar.

Accordingly, the Hearing Officer finds that Respondent should be barred from associating in any capacity with any FINRA-registered firm.

V. Order

Bradley Hampton is barred from associating with any FINRA-registered firm in any capacity for providing false information to his firm, in violation of Rule 2010, and for failing to appear for testimony, in violation of Rules 8210 and 2010. The bars shall become effective immediately if this Default Decision becomes the final disciplinary action of FINRA.



Rochelle S. Hall
Hearing Officer

Copies to: Bradley Hampton (via overnight mail)
 Lora W. Alexander, Esq. (via electronic and first-class mail)
 James J. Nixon, Esq. (via electronic mail)
 David R. Sonnenberg, Esq. (via electronic mail)

¹⁵ Sanction Guidelines 33.

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DEPARTMENT OF MARKET REGULATION,

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V.

BRADLEY HAMPTON (CRD 5636883),

Respondent.

DISCIPLINARY PROCEEDING
NO. 20110281905

HEARING OFFICER:

COMPLAINT

The Department of Market Regulation alleges:

Summary

1. Beginning in January 2011, and continuing into June 2011, Respondent Bradley Hampton (“Hampton”) provided his firm false information, including a fictitious email purportedly from BrokerCheck, to intentionally deceive the firm into believing that he had obtained a Series 7 license and was registered with FINRA. The firm had required Hampton to obtain a Series 7 license in connection with his application for a new position with the firm as a Product Specialist liaison in its Fixed Income Department. In fact, Hampton had not obtained the Series 7 license and was not registered with FINRA. As a result of his actions, Hampton failed to observe high standards of commercial honor and just and equitable principles of trade, in violation of FINRA Rule 2010.

2. In connection with the investigation into this matter, FINRA staff requested that Hampton appear on July 19, 2011 in Rockville, Maryland, to provide testimony. Hampton failed to appear for testimony, in violation of FINRA Rules 8210 and 2010.

The Respondent

3. Hampton first became associated with a FINRA member firm in January 2009, when he began working as a non-registered fingerprint trading assistant in the firm's Equity Operations division. In April 2011, Hampton was offered and accepted a permanent position as a Product Specialist liaison in the firm's Fixed Income Department. The firm terminated Hampton's employment on June 22, 2011 after learning of his misconduct. Although Hampton has not been associated with a FINRA member firm since June 22, 2011, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the date upon which he ceased to be associated with a FINRA member; and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member, and with failing to appear for investigative testimony during the two-year period after the date upon which he ceased to be associated with a FINRA member.

CAUSE ONE

Hampton Provided False Information to His Firm (Violation of FINRA Rule 2010)

4. Market Regulation re-alleges and incorporates by reference all preceding paragraphs.

5. In January 2011, Hampton responded to a job posting with the firm for a Product Specialist liaison position in the firm's Fixed Income Department. A Series 7 license was not required at the time Hampton applied for the job, but he was required by the firm to obtain the license within six months of starting the position.

6. In early January 2011, Hampton told his firm that he was taking the day off from work to take the Series 7 exam. In fact, Hampton was not eligible to take the Series 7 exam

because the firm's compliance department had not filed a Form U4 for Hampton and had not opened an exam window for him to take the exam.

7. On January 27, 2011, with knowledge that he had not registered with FINRA, Hampton sent an email to FINRA's BrokerCheck with the subject line "I am no longer listed on broker check." The text of the email stated "I am no longer listed on broker check and im [sic] not sure what happened [sic]. Please inform."

8. On January 28, 2011, BrokerCheck responded to his email by advising Hampton that it would only display individuals who were either currently registered or previously registered with FINRA within the last 10 years. The email stated, in relevant part:

"Thank you for contacting FINRA. BrokerCheck will only display individuals that are currently registered or were previously registered with FINRA in the last 10 years. If you have additional questions, feel free to call the BrokerCheck Hotline at 1-800-289-9999."

BrokerCheck assigned a case number: CAS-126420-2TK37D CRM: 044274 to Hampton's inquiry.

9. On March 23, 2011, Hampton sent a second email to BrokerCheck with the subject line "RE: I am no longer listed on broker check Case# CAS-126420-2TK37D CRM: 044274." The text of the email stated in relevant part "I have been trying to get my broker check verified case numb 126420-2TK37D. Please verify." BrokerCheck did not respond to Hampton's March 23, 2011 email.

10. Hampton then created a fictitious email to make it appear that he had received an email from BrokerCheck on March 23, 2011 confirming his registration with FINRA. The fictitious email read, in relevant part, as follows:

“Thank you for contacting FINRA. BrokerCheck **has confirmed your registration and** will only display individuals that are currently FINRA registered or were previously registered with FINRA in the last 10 years. If you have additional questions, feel free to call the BrokeCheck Hotline at 1-800-289-9999.” (emphasis added).

11. In early April 2011, Hampton interviewed for the Product Specialist liaison position and was offered the job with a start date of April 4, 2011. During the interview, Hampton told the firm that he had a Series 7 license even though he knew that he had not obtained the license.

12. On or about April 4, 2011, Hampton provided the firm a copy of the fictitious email he created to further deceive the firm into believing that he had obtained the Series 7 license and was registered with FINRA. Shortly after receiving the fictitious email from Hampton, the firm learned through further review that Hampton was not in fact registered with FINRA and had not obtained the Series 7 license.

13. When confronted by the firm about the discrepancy, Hampton claimed that he was having trouble getting his registration to appear on BrokerCheck. Hampton continued to try to deceive the firm by falsely stating that his test score confirmation was at home and that he would provide a copy to the firm on June 20, 2011.

14. On June 22, 2011, the firm confronted Hampton with the fictitious email. At that time, Hampton admitted to creating the fictitious email to make it appear that he was registered with FINRA. The firm terminated Hampton's employment that day.

15. By engaging in the foregoing conduct, Hampton failed to observe high standards of commercial honor and just and equitable principles of trade, in violation of FINRA Rule 2010.

CAUSE TWO

Hampton Failed to Appear for Testimony (Violations of FINRA Rules 8210 and 2010)

16. Market Regulation re-alleges and incorporates by reference all preceding paragraphs.

17. On June 30, 2011, FINRA staff served a written request upon Hampton, pursuant to Rule 8210, which required him to appear for testimony in Rockville, Maryland on July 19, 2011, in connection with FINRA's investigation of his creation of a fictitious document.

18. On or about July 12, 2011, Hampton left a voice mail message with FINRA staff to confirm that he had received the Rule 8210 request letter for testimony.

19. Hampton failed to appear for testimony on July 19, 2011. As a result, FINRA staff was prevented from questioning Hampton about his deceptive conduct.

20. By engaging in the foregoing conduct, Hampton violated FINRA Rules 8210 and 2010.

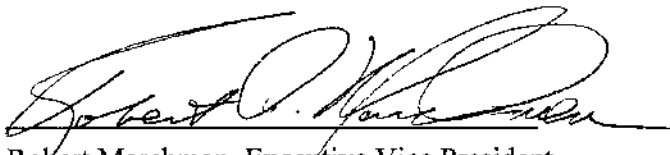
Prayer for Relief

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent Bradley Hampton committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Procedural Rule 8310 be imposed;
- C. order that Respondent bear such costs of any proceeding as are deemed fair and appropriate under the circumstances, in accordance with FINRA Procedural Rule 8330; and
- E. grant all further relief, legal or equitable, that is warranted under the circumstances.

Dated: 9/12/11

FINRA Department of Market Regulation



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