

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012034304002**

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

RE: Brian Lewis Pittman, Respondent
General Securities Representative
CRD No. 2963196

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Brian Lewis Pittman, 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

Brian Lewis Pittman ("Pittman") entered the securities industry in October 1997, when he was associated with Robert W. Baird & Co. In December 1997, Pittman obtained his Series 7, 63, and 65 licenses and was registered with FINRA as a general securities representative. During his time in the industry, Pittman associated with multiple other firms. Pittman was associated with Westport Resources Investment Services, Inc. ("Westport") from February 17, 2010 until his voluntary resignation which resulted in a U5 filing on October 4, 2012. Most recently, Pittman was associated with Sabadell Securities USA, Inc. until February 6, 2014 when a related U5 was filed. Although Pittman is not currently associated with a FINRA member, he remains subject to the jurisdiction of FINRA pursuant to Article V, Section 4(a) of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly-registered persons.

RELEVANT DISCIPLINARY HISTORY

Pittman has no disciplinary history.

OVERVIEW

Between April 2011 and June 2011, Pittman participated in private securities transactions, specifically the sale of oil and gas limited partnership interests offered by Quest Energy Management Group, Inc. ("Quest"), which were not approved for sale by Westport, without providing prior written notice of his participation or obtaining approval of his participation in such transactions from Westport. As a result, Pittman violated NASD Conduct Rule 3040 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

NASD Conduct Rule 3040 requires associated persons to "provide written notice to the member" firm prior to "participating in any private securities transaction." Similarly, Westport's written supervisory procedures required written notification of outside private securities transactions and written approval by Westport before engaging in any outside private securities transactions. Rule 3040 is broadly interpreted to reach a representative who participates in any manner in the transaction, with the goal of both protecting investors and permitting member firms to supervise transactions in which their representatives become involved. A violation of Rule 3040 is also a violation of FINRA Rule 2010, which requires registered persons to adhere to just and equitable principles of trade.

Between April 2011 and June 2011, Pittman participated in private securities transactions by referring customers with Westport accounts to invest in limited partnership interest in the Permian Advanced Oil Recovery Investment Fund I, LP ("Permian"), which was being offered by Quest. The Permian limited partnership interests are a security. Specifically, Pittman referred two customers with Westport accounts to Quest. In total, these customers invested \$375,000 in the Permian offering. Pittman also participated in the transactions by assisting the customers with processing the requisite paperwork to effect the transactions. In connection with these transactions, Pittman received compensation from Quest of approximately \$45,000, but he returned this compensation to Quest after being instructed to do so by Westport.

Prior to participating in the aforementioned private securities transactions, Pittman failed to provide prior written notice to Westport of his participation and failed to obtain Westport's approval of his participation in such transactions.

As a result of such conduct, Pittman violated NASD Conduct Rule 3040 and FINRA Rule 2010.

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

- ☐ A suspension from any FINRA member firm in all capacities for four (4) months; and
- ☐ A \$7,500 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the four (4)-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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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.

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 Chief

Legal Officer, 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

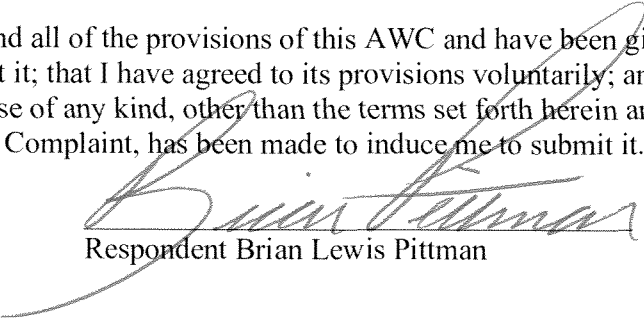
I understand that:

- 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: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

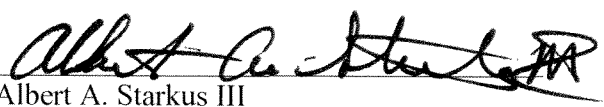
10/31/14
Date


Respondent Brian Lewis Pittman

Accepted by FINRA:

12/12/14
Date

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


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