

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035045901**

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

RE: Gregory H. Bray, Respondent
General Securities Principal
CRD No. 2673259

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Gregory H. Bray ("Bray" 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 against Bray alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Bray 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

Bray entered the securities industry in December 1995 when he became registered through a FINRA-registered firm as a general securities representative. In September 1996, Bray became registered through Alton Securities Group, Inc. ("Alton Securities" or the "Firm") and remains registered through Alton Securities today. Bray obtained his General Securities Principal license in March 1999.

RELEVANT DISCIPLINARY HISTORY

Bray does not have any relevant disciplinary history.

OVERVIEW

From February 2009 through June 2013 (the "Relevant Period"), Bray was responsible for supervising the sales activity of MM, who was the Firm's chief

executive officer and chief compliance officer. During the Relevant Period, Bray failed to adequately supervise MM in connection with MM's sales of certain complex products and MM's recommendations of Class A mutual fund shares.

FACTS AND VIOLATIVE CONDUCT

During the Relevant Period, Bray was responsible for supervising the sales activity of MM. MM (as CEO and CCO of the Firm) was responsible for all other supervisory functions at the Firm. In general, Bray's supervision of MM's sales activity consisted of a daily review of a trade blotter reflecting trades made by MM's customers and occasional conversations with MM regarding that trading activity.

During the Relevant Period, MM periodically recommended and sold complex products to his customers. For example, at various times during the Relevant Period, MM recommended and sold leveraged/inverse exchange traded funds and leveraged/inverse mutual funds. In addition, MM recommended and sold a "steepener note," designed to increase in value as the gap between short and long-term interest rates increased. MM, however, lacked a reasonable basis to recommend these products to his customers because he did not fully understand the potential risks associated with these securities.

During the Relevant Period, MM also recommended and executed 50 unsuitable purchases of Class A shares of leveraged/inverse mutual funds. Because of their fee structure, Class A mutual fund shares are generally preferable to Class B or C shares only when held for several years or longer. MM's customers who purchased the Class A shares, however, typically held them for less than a year, and in some cases, only for several months. As a result, MM's recommendations of Class A shares of leveraged/inverse mutual funds were unsuitable.

For his part, Bray failed to take reasonable steps to supervise MM's sales of these complex products. As a threshold matter, Bray failed to ensure that MM understood the products. Since Bray himself was not familiar with the risks associated with some of the complex products MM was selling, he had no basis for concluding that MM understood them or that MM's recommendations were suitable. Bray's supervision also was inadequate with respect to MM's unsuitable recommendations of Class A shares of leveraged/inverse mutual funds. In light of the nature of such funds, which are not intended to be held for long periods of time, MM's sale of Class A shares should have, in and of itself, been a red flag. Bray, however, failed to detect this red flag and also failed to detect MM's short-term trading of the Class A shares.

As a result of the foregoing, Bray violated NASD Rule 3010 and FINRA Rule 2010.

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

A suspension from associating with any FINRA-registered firm in any principal capacity for a period of six weeks; and

A fine of \$7,500.

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

Bray 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.

Bray understands that if he is barred or suspended from associating with any FINRA member in a principal capacity, 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, he may not be associated with any FINRA member in any principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because Bray is subject to a statutory disqualification during the suspension, if he remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Bray 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, Bray specifically and voluntarily waives 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.

Bray 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

Bray 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

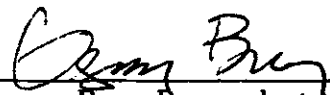
C. If accepted:

1. this AWC will become part of Bray'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 accordance with FINRA Rule 8313;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. Bray 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. He 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 Bray's: (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. Bray may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. He 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.

Bray 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.

05/14/2015
Date (mm/dd/yyyy)


Gregory Bray, Respondent

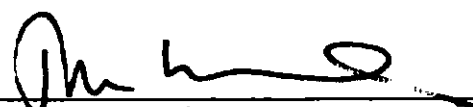
Reviewed by:


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Greensfelder, Hemker & Gale, P.C.
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314.335.6810
Counsel for Respondent

Accepted by FINRA:

6/4/15
Date

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


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