

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035120801**

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

RE: Bryan Funding, Inc. (BD No. 11899)
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Bryan Funding, Inc. ("Bryan Funding" or the "Firm") 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 Bryan Funding alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Bryan Funding 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

Bryan Funding has been a FINRA member since December 1985. The Firm derives the majority of its revenues from mutual fund sales and employs approximately 13 registered representatives.

RELEVANT DISCIPLINARY HISTORY

Bryan Funding has no relevant formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization, or any state securities regulator.

OVERVIEW

Bryan Funding failed to enforce its written supervisory procedures (“WSPs”) concerning the use of personal email accounts by registered representatives. The Firm further failed to maintain and preserve its electronic communications as required by Rule 17a-4, promulgated under the Securities Exchange Act of 1934 (“Exchange Act”)

FACTS AND VIOLATIVE CONDUCT

1. From in or about August 2010 through in or about April 2013 (“Relevant Period”), Bryan Funding’s WSPs prohibited registered representatives from using personal email accounts for business communications. Instead, the Firm’s procedures required that representatives transmit all electronic business communications over Firm-sponsored systems to allow for supervisory review.

Contrary to these WSPs, during the Relevant Period, Bryan Funding allowed a registered representative who worked in an offsite location to use a personal email address for Firm-related business communications, and failed to retain those email communications, as required by Exchange Act Rule 17a-4.

Based on the foregoing, Bryan Funding violated NASD Conduct Rule 3010, Rule 17a-4 of the Exchange Act and FINRA Rule 2010. This conduct also violated NASD Conduct Rule 3110 (for conduct prior to December 5, 2011) and FINRA Rule 4511 (for conduct after December 4, 2011).

2. During the Relevant Period, the Firm failed to retain and store electronic communications in the manner required pursuant to Exchange Act Rule 17a-4(f). During this period, the Firm utilized a third-party accounting firm to store its electronic communications. The Firm’s electronic communications, however, were not properly stored in compliance with the Rule. For example, the Firm’s electronic communications were not stored in a non-rewritable, non-erasable format, as required.

Based on the foregoing, Bryan Funding violated Rule 17a-4 of the Exchange Act, NASD Conduct Rule 3110 (for conduct prior to December 5, 2011) and FINRA Rules 4511 (for conduct after December 4, 2011) and 2010.

C. Respondent also consents to the imposition of the following sanctions:

- A censure; and
- A fine of \$7,500.¹

¹Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, FINRA imposed a lower fine in this case after it considered, among other things, the Firm’s revenues and financial resources. See Notice to Members 06-55.

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

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against it;
- 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, Respondent 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.

Respondent 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

Respondent 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 Respondent;
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 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. Respondent 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. Respondent 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 Respondent'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; and

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

The undersigned, on behalf of Bryan Funding, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Bryan Funding 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 Bryan Funding to submit it.

Bryan Funding, Inc.

4/27/2015
Date (mm/dd/yyyy)

By: 
Richard G. Bryan
Chief Executive Officer

Accepted by FINRA:

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

5/2/15
Date


Michael J. Newman
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