

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010021929901**

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

RE: B & T Securities, Inc., Respondent
Broker Dealer
CRD no. 120242

and

Brent Daryl Obergfell, Respondent
General Securities Representative & Principal
CRD no. 2419869

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, B & T Securities, Inc. and Brent Daryl Obergfell, each a Respondent, 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 Respondents alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. B & T Securities, Inc. and Brent Daryl Obergfell 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

B & T Securities, Inc. located in Boca Raton, Florida, has been a FINRA-regulated firm since July 25, 2002. The firm has three registered representatives. The firm's primary business is trading equity securities.

Brent Daryl Obergfell entered the securities industry in July 1993, and was associated with several FINRA members before co-founding B & T Securities,

Inc. in 2002. Obergfell registered with FINRA as a General Securities Representative (Series 7) in January 1994. He subsequently acquired General Securities Sales Supervisor (Series 9/10), General Securities Principal (Series 24), Uniform Securities Agent (Series 63), Equity Trader (Series 55), and Investment Banker (Series 79) licenses. At all relevant times and currently, Obergfell has served as the President of B & T Securities, Inc.

OVERVIEW

B & T Securities, Inc. (“B&T” or the “Firm”) posted a Firm website for seven years (from July 7, 2004 through July 7, 2011) that made numerous misleading and unsubstantiated claims in violation of the content standards of NASD Rule 2210 (Communications with the Public). B&T and Brent Daryl Obergfell (“Obergfell”), President and Firm co-owner, failed to properly supervise the website in violation of NASD Rule 3010 (Supervision). B&T and Obergfell violated NASD Rule 2110 (Standards of Commercial Honor and Principles of Trade) for their misconduct prior to December 15, 2008 and FINRA Rule 2010 (Standards of Commercial Honor and Principles of Trade) for their misconduct after December 15, 2008.

FACTS AND VIOLATIVE CONDUCT

Misleading and Unsubstantiated Claims in Violation of NASD Rule 2210 (Communications with the Public) and NASD Rule 2110/FINRA Rule 2010 (Standards of Commercial Honor and Principles of Trade)

During the seven years prior to July 7, 2011 that B&T posted a website, the website made one claim that was misleading, four unsubstantiated claims or characterizations, and the website did not comply with Securities Investor Protection Corporation (“SIPC”) rules. From at least 2009, when trading losses started to mount and the trading strategy employed by the Firm started changing in response to changed markets, three other statements posted on the website became misleading.

The website described the Firm’s trading model claiming, “We think the proof is in our record: positive real returns over the last six years.” The website failed to provide a basis for that claim, in violation of Rule 2210(d)(1)(A). Furthermore, that claim referred to the period from 1998 to 2004. Trading produced losses beginning in 2009, *not* positive returns. Thus, the statement became misleading in violation of Rule 2210(d)(1)(B).

The Firm’s description of its “Investment Style and Practice,” included descriptions of its “Short Term Trading” and its “Loss/Profit Discipline.” Those descriptions included the claims:

In our world, **almost every day is a ‘fresh start’ in the market.** We usually begin and end each day entirely in cash—with the goal of making short term and intra-day profitable trades.” (emphasis in original)

Our trading model calls for the majority of our trades to be completed during any given trading day.

After sustaining losses in 2008 and 2009, B&T moved away from day trading, to a strategy that held positions longer term, with less frequent trading in and out during a day, and less frequent days when an account held only cash at the end of the day. Thus, those claims became misleading in violation of Rule 2210(d)(1)(B).

The description of the Firm's "Investment Style and Practice" also described how capital was preserved, making the claim, "A quick look at market history shows that entire fortunes have been lost by not prudently managing losses—by allowing emotion to rule, rather than discipline," without providing any support for that claim. Failure to provide a basis for the claim violated Rule 2210(d)(1)(A).

The last page of the website provided information answering the question "What is a Registered Investment Advisor ("RIA")?" However, neither the Firm nor anyone associated with the Firm was registered as an investment advisor during the period the website was posted. Accordingly, B&T was not in a position to, and did not provide such services. The inclusion of the RIA discussion violated Rule 2210(d)(1)(B) because it could mislead investors or potential investors into believing that the Firm was, in fact, an RIA.

The logo on the website's first page and elsewhere on the website used the terminology "B&T Asset Management A division of B&T Securities, Inc." without disclosing that B&T Asset Management was another name under which the Firm conducted its business. The website also claimed, "We're an innovative asset management firm with a unique market focus." In fact, B&T was never an asset management firm. Characterizing the Firm as an asset management firm and claiming it had a unique market focus without providing a basis for those characterizations violated Rule 2210(d)(1)(A).

The website failed to include the official SIPC advertising statement or the official explanatory statement and hyperlinks as required by Article 11, Section 4 of the Securities Investor Protection Corporation ("SIPC") Advertising Bylaw in violation of NASD Rule 2210.

Accordingly, B&T violated NASD Rule 2210, NASD Rule 2110 (for violations prior to December 15, 2008) and FINRA Rule 2010 (for violations after December 15, 2008).

Supervision Failures in Violation of NASD Rule 3010 (Supervision) and NASD Rule 2110/FINRA Rule 2010 (Standards of Commercial Honor and Principles of Trade)

B&T's Written Supervisory Procedures ("WSPs") addressing communications with the public, last updated in 2002 and 2003, did not address continued (or periodic) review of advertising (whether through websites or otherwise) to ensure the material remained accurate. Further, the WSPs did not assign anyone responsible for writing, approving or updating the WSPs applicable to advertising (including websites) and failed to designate anyone with responsibility for

supervising the Chief Compliance Officer.

As President of B&T, Obergfell was responsible for supervision at B&T and for establishing reasonably designed and enforced WSPs. He was the principal designated as responsible for approving advertising. Through Obergfell, B&T failed to establish WSPs pertaining to website advertising and failed to properly supervise the website, which had numerous violations that endured for the entire seven year period the website was posted and others that became misleading while it was posted.

Accordingly, Obergfell and B&T violated NASD Rule 3010, NASD Rule 2110 (prior to December 15, 2008) and FINRA Rule 2010 (after December 15, 2008).

B. B & T Securities, Inc. also consents to the imposition of the following sanctions:

- (i) A censure.
- (ii) A fine of \$20,000, of which \$10,000 is payable jointly and severally with Brent Daryl Obergfell.
- (iii) The following undertakings:
 - a. Not later than 30 calendar days after the date of the Notice of Acceptance of this AWC, B & T Securities, Inc. will discontinue any use of "B&T Asset Management."
 - b. To the extent that B & T Securities, Inc. makes any website (bandtsecurities.com or any other website controlled by B & T Securities, Inc.) available to the public or any customer more than 30 calendar days after the date of the Notice of Acceptance of this AWC, B & T Securities, Inc. must first submit such website to FINRA's Department of Advertising Regulation for review. Any website not submitted to FINRA's Department of Advertising Regulation for review prior the 30th calendar day after notice that this AWC has been accepted must be removed or otherwise made unavailable to the public or any customer until after it has been submitted to FINRA's Department of Advertising Regulation for review. The firm agrees that, upon receipt of comments from FINRA on any of the filed materials, unless notified otherwise by FINRA, B & T Securities, Inc. shall take all reasonable steps to withhold or cause to be withheld such material from further publication until the changes specified by FINRA have been made, and such material will be revised and re-filed prior to any use, unless otherwise agreed to by FINRA staff in its sole discretion. The requirements in this subparagraph b shall remain in effect for two years following notice that this AWC has been accepted.

Brent Daryl Obergfell also consents to the imposition of the following sanctions:

- (i) A fine of \$10,000, which is payable jointly and severally with B & T Securities, Inc.
- (ii) A suspension from associating with any FINRA member firm in a principal capacity for a period of five business days.

B & T Securities, Inc. and Brent Daryl Obergfell each agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. B & T Securities, Inc. and Brent Daryl Obergfell each have submitted an Election of Payment form showing the method by which they propose to pay the fine imposed.

B & T Securities, Inc. and Brent Daryl Obergfell each specifically and voluntarily waives any right to claim that each is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Brent Daryl Obergfell understands that if he is 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 a suspended capacity, during the period of the suspension (*see* FINRA Rules 8310 and 8311). Furthermore, because he 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

B & T Securities, Inc. and Brent Daryl Obergfell each specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against each Respondent;
- 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, B & T Securities, Inc. and Brent Daryl Obergfell each 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.

B & T Securities, Inc. and Brent Daryl Obergfell each 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

B & T Securities, Inc. and Brent Daryl Obergfell 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 B & T Securities, Inc. or Brent Daryl Obergfell; and
- C. If accepted:
 - 1. this AWC will become part of the permanent disciplinary record of B & T Securities, Inc. and Brent Daryl Obergfell and may be considered in any future actions brought by FINRA or any other regulator against B & T Securities, Inc. or Brent Daryl Obergfell;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the disciplinary record of B & T Securities, Inc. or Brent Daryl Obergfell;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and

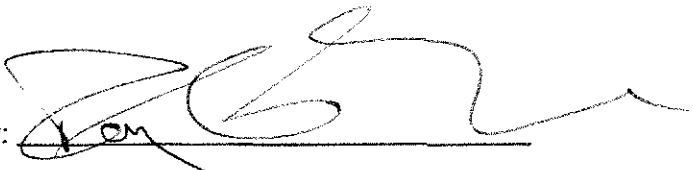
4. B & T Securities, Inc. or Brent Daryl Obergfell may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. B & T Securities, Inc. and Brent Daryl Obergfell 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 the rights of B & T Securities, Inc. and Brent Daryl Obergfell to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. B & T Securities, Inc. and Brent Daryl Obergfell each may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. B & T Securities, Inc. and Brent Daryl Obergfell understand that each 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 the Firm, 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 person 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 the Firm to submit it.

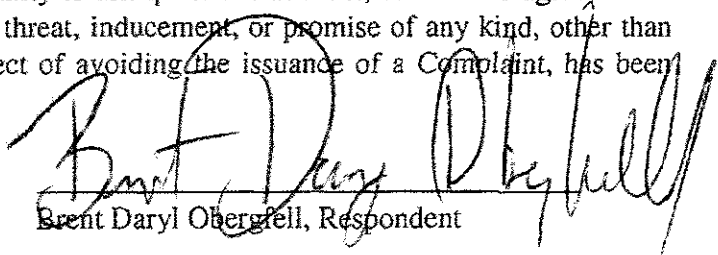
11-09-12
Date (mm/dd/yyyy)

Raymond Chodkowski
B & T Securities, Inc., Respondent

By: 

I certify that I, Brent Daryl Obergfell, 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.

11/9/12
Date (mm/dd/yyyy)


Brent Daryl Obergfell, Respondent

Reviewed by:

A handwritten signature in dark ink, appearing to read "Mark E. Ruddy", is written over a horizontal line.

Mark E. Ruddy

Counsel for Respondents B & T Securities, Inc. and Brent Daryl Obergfell

Ruddy Law Office

1225 15th Street

Washington D.C. 20005

Phone: 202.797.0762

Accepted by FINRA:

November 29, 2012
Date

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

David L. Fenimore

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