

Before the Securities and Exchange Commission

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X  
In the Matter of X  
X  
Edward S. Brokaw, X  
X  
Appellant, X  
v. X  
FINRA Department of Enforcement, X  
X  
Appellee. X  
-----X

FINRA Complaint #  
2007007792902

**APPLICATION FOR REVIEW**

Edward S. Brokaw, who resides at [REDACTED], Darien, CT 06820, by and through his undersigned counsel, hereby submits this Application for Review of the decision issued by the National Adjudicatory Council (“NAC”) on September 14, 2012 pursuant to Rule 420 of the SEC Rules of Practice.

Mr. Brokaw hereby appeals the ruling that he failed to conduct an adequate inquiry to ensure that a customer’s trading instructions were not for a manipulative purpose and the ruling that he failed to ensure that accurate order tickets were completed. Mr. Brokaw also challenges the severity of the sanctions imposed.


In the NAC’s decision, the NAC made erroneous findings as follows: (1) All of the orders were placed by the client with Mr. Brokaw; (2) Mr. Brokaw failed to inquire into the motives of his client’s unsolicited orders; (3) NAC imposed a new duty on Mr. Brokaw to “ensure” that legitimate trades were not illegitimate; (4) NAC ignored the evidence concerning the role of the sales traders to act as gatekeepers; (5) NAC held that the size and timing of the trades should have made Mr. Brokaw suspicious despite the

fact that NAC concedes the trades were legitimate; (6) NAC ignored the evidence that Mr. Brokaw did not complete the order tickets at issue, that the practice at Deutsche Bank was for the sales assistants to create the order tickets and that FINRA Enforcement had falsely charged Mr. Brokaw with instructing his sales assistants to put false information on "booking tickets" at a time that FINRA Enforcement knew such an allegation was false.

In summary, the very same logic that formed the basis for the finding that Mr. Brokaw did not engage in manipulation or aided and abetted a manipulation undercuts any finding that Mr. Brokaw somehow violated Rule 2110. NAC is seeking to expand a stockbroker's duty beyond FINRA's rules and in violation of existing case law. The record is void of any bad faith, unethical conduct or injury to any markets or investors emanating from Mr. Brokaw's alleged Rule 2110 violation.

The sanctions imposed on Mr. Brokaw fail to give proper weight to the principal considerations to be analyzed under FINRA sanction guidelines and are unduly harsh and severe given Mr. Brokaw's unblemished record over decades in the business.

Dated: October 3, 2012

  
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