

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF:)	ADMIN. FILE NO. 3-19892
)
ROBERT L. BRYANT, III)	<u>[EDITED TO SHOW PROPOSED</u>
	<u>REDACTIONS]</u>
)
For Review of Action Taken by)	BRIEF IN SUPPORT OF APPLICATION
FINRA)	FOR REVIEW OF ACTION TAKEN BY
	FINRA AND TO SET ASIDE STATUTORY
	DISQUALIFICATION

Petitioner Robert L. Bryant III (“Bryant”) respectfully requests that the United States Securities and Exchange Commission, Division of Enforcement (the “Commission”) grant his request to set aside FINRA’s imposition upon him of a statutory disqualification arising from the Findings of Fact, Conclusions of Law and Consent Order entered into between the Nebraska Department of Banking and Finance (the “NE Department”) and Mr. Bryant (the “Consent Order”).

FINRA’s statutory disqualification of Mr. Bryant does not arise from a “final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.” The Form U-6 filed by the NE Department expressly stated:

12. Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative or deceptive conduct?

() Yes (X) No.

(Certified Record (hereinafter “R.”) at 000069)(emphasis added). In addition to the Form U-6 itself, Nebraska confirmed in a subsequent letter that “[t]he Department has determined that the

Form U-6 accurately reflects the terms of the Consent Order, **including the Department’s answer in response to Question #12.**” (R. at 000021).

Although FINRA received these disclosures confirming that the Consent Order was not based on any fraud, manipulative or deceptive conduct, it statutorily disqualified Mr. Bryant, substituting its own judgment for the evidentiary findings the NE Department made after investigating and negotiating the Consent Order. Because the Consent Order should not have triggered disqualification under Section 3(a)(49) of the Securities Exchange Act of 1933, it respectfully should be set aside.

FACTUAL BACKGROUND

From the time Mr. Bryant entered the securities industry in 1994 until the time of the Consent Order in 2017, Mr. Bryant had no regulatory violations or customer complaints. (Affidavit of Robert L. Bryant III (the “Bryant Aff.”), a copy of which is attached hereto as Exhibit 1, at ¶ 2) The subject Consent Order, entered into in September 2017, arose from Mr. Bryant having signed five of his existing customers’ names on purely administrative forms confirming the addresses and financial profiles for customers who had been Mr. Bryant’s clients for many years. (Id. at ¶ 3).

Specifically, after approximately 16 years with his then broker-dealer Allstate Financial Services, LLC (“Allstate”), Mr. Bryant was asked by Allstate to send in copies of New Account Documents on approximately 150 mutual fund accounts that Allstate did not have in their files. (Id. at ¶ 4). Most of the New Account Documents that were missing from Allstate’s files were from accounts that had been moved to Allstate from Mr. Bryant’s prior firm in a block transfer in 2001. (Id. at ¶ 5). At the time of the block transfer in 2001, Allstate did not require Mr. Bryant to provide updated New Account Documents for these accounts brought from his prior firm. (Id.)

When Allstate, for the first time, requested receipt of the New Account Documents for the transferred clients in late 2016/early 2017, Mr. Bryant could have satisfied Allstate's request by simply turning in the older signed paperwork that he had previously secured from his clients. (Id. at ¶ 6). Instead, he endeavored to do more than what was required by Allstate and to touch base with each of his clients and obtain updated New Account Documents even from those transferred accounts from whom Mr. Bryant already possessed valid, but older, signed paperwork. (Id.) Soon after he launched this expanded project, however, [REDACTED]

[REDACTED] (Id. at ¶ 7). As Mr. Bryant's work hours became unexpectedly constricted due to [REDACTED], Mr. Bryant requested an extension from Allstate in order to obtain the few remaining New Account Documents, but Allstate declined his request. (Id. at ¶8). Accordingly, when he was unable to obtain executed copies of the few remaining New Account Documents for certain of his customers despite multiple attempts, he signed their names on the administrative forms. (Id. at ¶9). [REDACTED]

[REDACTED] Mr. Bryant simply lost sight of the fact that he could have sent in the old signed paperwork that already had the customers' signatures to meet Allstate's requests or, even, that he could have used an account update form that did not even require a client signature. (Id.)

Mr. Bryant understands that the clients for whom he signed their names either affirmatively ratified and/or did not contest the New Account Documents as the forms merely confirmed the customers' already-existing financial profiles (Id. at ¶10). Significantly, such forms were never used to create new accounts and did not result in any transfer of funds in or out of any accounts. (Id.) The forms did not impact any of the clients' financial condition, effectuate securities trades

or otherwise negatively impact the clients' positions in any way; they were purely administrative forms, internal to Allstate. (Id.) No customer complaints were ever made against Mr. Bryant. (Id.)

Allstate ultimately terminated Mr. Bryant's employment and submitted a Form U-5 that indicated that such termination was due to "non-genuine signatures on brokerage account documentation." (Id. at ¶11) This and other disclosures from Mr. Bryant prompted Nebraska to open its investigation. (Id.)

Without admitting or denying the allegations, Mr. Bryant agreed to enter into the Consent Order in Nebraska on September 6, 2017. (R. at 000001-00007). The Consent Order indicated that Bryant "had signed customer signatures on five New Account Documents" and had violated Neb. Rev. Stat. Section 8-1102(1), but did not specify which paragraph of the statute Mr. Bryant had violated. (Id.) The Consent Order fined Mr. Bryant only \$1,000, with another \$1,000 payable as reimbursement to the NE Department (both of which have been fully paid), and suspended him for only 20 days. (Bryant Aff. at ¶ 12). Mr. Bryant also agreed to abide by the terms of a Heightened Supervision Agreement for two years. (Id.) In reporting the regulatory action, the NE Department filed a Form U-6 indicating that the Consent Order was *not* a "final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct." (R. at 000069).

Notwithstanding the fact that Mr. Bryant did not admit to any fraudulent, manipulative or deceptive conduct, and notwithstanding NE Department's own statements on the Form U-6, FINRA notified Mr. Bryant on September 29, 2017 that he was subject to a statutory disqualification from associating with any FINRA member firm based on the Consent Order (the "SD Notice", R. at 000019). In an attempt to resolve the matter with FINRA, Mr. Bryant's then-

current employer obtained a letter from the NE Department in which Nebraska confirmed—again—that the Consent Order was *not* a “final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.” (R. at 000021) (Bryant Aff. at ¶ 14).

Although FINRA acknowledged receipt of both the Form U-6 and the confirming letter from the NE Department, FINRA indicated that it did not have to agree with, or accept, the NE Department’s determination that Mr. Bryant’s conduct was not fraudulent, manipulative or deceptive and could reach its own conclusions. (Bryant Aff. at ¶ 15). FINRA refused to reconsider its statutory disqualification of Mr. Bryant. (Id.)

Bryant’s then-current employer considered filing a MC - 400 application to continue Mr. Bryant’s registration with the firm, but it was later abandoned because the employer could not provide local supervision of Mr. Bryant’s conduct as would be required. (Id. at ¶ 16). As a result, Mr. Bryant was forced to resign on December 1, 2017. (Id.)

Finally, on March 27, 2019, FINRA entered into a Letter of Acceptance, Waiver and Consent (“AWC”) with Mr. Bryant arising from the same Consent Order. (R. at 000009-000017). The AWC determined that Mr. Bryant’s same conduct in signing the New Account Documents violated FINRA Rule 2010 with regard to observing high standards of commercial honor and just and equitable principles of trade, and FINRA Rule 4511 by causing Mr. Bryant’s prior firm to maintain inaccurate books and records. (Id.) FINRA did not ban Mr. Bryant from the industry, but only entered a three-month suspension and a \$5,000 fine. (Id.) Significantly, and in direct contradiction to its previous SD Notice, FINRA reported on Mr. Bryant’s BrokerCheck that it did *not* consider the conduct to constitute “a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct” and checked the answer “No” to question 12 when disclosing the regulatory violation. (See Exhibit “A” to Bryant Aff.)

As a result of the above, Mr. Bryant, however, is still statutorily disqualified, is no longer registered or associated with any FINRA-regulated broker-dealer and has had to sell his insurance agency and give up his financial business at significant cost. (Bryant Aff. at ¶ 18).

ARGUMENT

I. The Commission has jurisdiction over Bryant’s application for review.

Exchange Act Section 19(d)(2) provides that the Commission may review SRO action that “bars any person from becoming associated with a member.” *See* 15 U.S.C. § 78s(d)(2). Further, “SRO action *having the effect* of ‘barring’ an individual from association with the SRO’s members—whether the individual is formally barred or not—is reviewable under Section 19(d).” *Gregory Acosta*, Exchange Act Release No. 89121, 2020 SEC LEXIS 3589 at *8 (June 22, 2020), citing *Lawrence Gage*, Exchange Act Release No. 54600, 2006 WL 2987058, at *5 (Oct. 13, 2006)(*emphasis added*).

Accordingly, in *Acosta*, the Commission held that a determination by FINRA that a person “is subject to statutory disqualification ‘as defined in Section 3(a)(39)’ effectively bars him from associating with a FINRA member firm and is therefore reviewable under Section 19(d).” *Acosta* at *9. For these reasons, and in accordance with the *Acosta* precedent, FINRA’s determination that Mr. Bryant is subject to statutory disqualification is likewise reviewable by the Commission here.

II. The determination that Bryant is subject to statutory disqualification must be set aside.

Under Exchange Act Section 19(f), the Commission “review[s] FINRA action barring a person from associating with a member firm to determine if (1) the specific grounds on which FINRA based the action exist in fact; (2) the action was in accordance with FINRA rules; and (3)

FINRA's rules are, and were applied in a manner, consistent with the Exchange Act's purposes." *Acosta* at *9, citing 15 U.S.C. section 78s(f). Because the grounds for FINRA's statutory disqualification of Mr. Bryant do not exist in fact and are not being applied in a manner consistent with the Exchange Act, FINRA's action should be set aside.

Exchange Act Section 39(a)(39)(F), relied on by FINRA, provides that a person is statutorily disqualified if such person is subject to a final order of a securities commission that is "based on violations of laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct." 15 U.S.C. §§78c(a)(39)(F), 78o(b)(4)(H)(ii). Here, the NE Department has made clear, however, that the Consent Order was *not* "based on violations of laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct."

In disclosing Mr. Bryant's conduct on its Form U-6, the NE Department unequivocally responded "No" to the question of "[d]oes the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?" In a subsequent letter, the NE Department confirmed that its Form U-6 disclosures were accurate and that the Consent Order was not based on fraudulent conduct. Because the stated grounds of fraudulent conduct for FINRA's SD Notice simply do not exist, there is no basis for Mr. Bryant's statutory disqualification. *See Acosta, supra* (setting aside SD notice where consent order was not based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct).

FINRA's continued insistence that Mr. Bryant is still subject to statutory disqualification notwithstanding Nebraska's clear and repeated affirmations that he did not commit fraudulent conduct is untenable. Nebraska is best suited to construe its own laws, and it duly determined that the Consent Order was not based on any Nebraska laws that prohibit fraudulent conduct. Further,

it was Nebraska, not FINRA, that was the finder of fact. It was only after the NE Department conducted its thorough investigation that Nebraska determined that Mr. Bryant's conduct was not fraudulent, manipulative or deceptive and imposed a mere 20-day suspension with \$2,000 in fines and heightened supervision. FINRA, who had no fact-finding role in the Consent Order, should not be permitted *ex post facto* to substitute its judgment for that of the Nebraska regulators who actually conducted the investigation.

Indeed, when FINRA's own Department of Enforcement eventually did take on a fact-finding role (a year and a half after sending its SD Notice), FINRA likewise determined that Mr. Bryant's conduct was *not* "based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct." (See BrokerCheck Report, Exhibit A to Bryant Aff., Ex. 1 hereto). Rather than barring Mr. Bryant from associating with a member firm as its previous SD Notice effectively did, FINRA found only violations relating to inaccurate books and records and breach of standards of commercial honor and just and equitable principles of trade. FINRA imposed only a \$5,000 fine and a three-month suspension of Mr. Bryant. To allow FINRA's SD Notice to stand when both the NE Department and FINRA's *own* Department of Enforcement determined that the stated grounds for disqualification were not existent, is an unsupportable and unjust interpretation and application of section 3(a)(39) of the Securities Exchange Act.

Because the statutory disqualification grounds relied on by FINRA were not supported by the NE Department, or even, FINRA itself, FINRA's SD Notice should, respectfully, be set aside. Mr. Bryant had a long and positive career in the securities industry as a registered representative that continued uninterrupted for more than twenty years without incident. Although Mr. Bryant had a momentary lapse of judgment in signing some of his clients' names on the updated internal paperwork, and entered into a Consent Order to resolve those claims, Mr. Bryant never understood

that his entry into the Consent Order would subject him to even the possibility of statutory disqualification. (Bryant Aff. at 19). Nor, even, did the NE Department. Quite simply, to uphold the SD Notice when the NE Department and even FINRA both determined that there were no violations of any law or regulation that prohibit fraudulent, manipulative, or deceptive conduct would, respectfully, be in error and contrary to the basic principles that underpin FINRA's and the Commission's disciplinary systems.

CONCLUSION

Based on all of the foregoing, Mr. Bryant respectfully requests that the Commission review FINRA's SD Notice and set aside FINRA's determination that the Nebraska Consent Order subjects Mr. Bryant to statutory disqualification.

Respectfully submitted,

/s/ Jennifer A. Lesny Fleming

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Counsel for Robert L. Bryant III

CERTIFICATE OF SERVICE

I, Jennifer A. Lesny Fleming, certify that on this 1st day of October, 2020, I caused the foregoing Brief In Support of Application For Review of Action Taken By FINRA And To Set Aside Statutory Disqualification, in the matter of the Application for Review of Robert L. Bryant, III, Administrative Proceeding No. 3-19892, to be served by electronic service on:

Vanessa A. Countryman Secretary
Securities and Exchange Commission 100 F St., NE
Room 10915 Washington, DC 20549-1090
apfilings@sec.gov

and

Andrew Love
Associate General Counsel FINRA
1735 K Street, N.W. Washington, D.C. 20006 202-728-8281
andrew.love@finra.org

Respectfully submitted,

/s/ Jennifer A. Lesny Fleming
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Counsel for Robert L. Bryant III

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IN THE MATTER OF THE)	
APPLICATION OF:)	ADMIN. FILE NO. 3-19892
)	
ROBERT L. BRYANT, III)	<u>[EDITED TO SHOW PROPOSED</u>
)	<u>REDACTIONS]</u>
)	
For Review of Action Taken by)	AFFIDAVIT OF ROBERT L. BRYANT III
FINRA)	IN SUPPORT OF APPLICATION FOR
)	REVIEW OF ACTION TAKEN BY FINRA
)	AND TO SET ASIDE STATUTORY
)	DISQUALIFICATION

Robert L. Bryant III, being first duly sworn according to law, deposes and states as follows based on his personal knowledge:

1. This Affidavit is being submitted in connection my Application for Review of Action Taken by FINRA and to Set Aside Statutory Disqualification, filed contemporaneously herewith.
2. From the time I entered the securities industry in 1994 until the time of the Consent Order in 2017, I had no regulatory violations or customer complaints.
3. The subject Consent Order, entered into in September 2017, arose as a result of having signed the names of several of my existing customers on purely firm-internal administrative forms confirming the financial profiles for customers who had been my clients for many years.
4. Specifically, after approximately 16 years with my then broker-dealer Allstate Financial Services, LLC (“Allstate”), I was asked by Allstate to send in copies of New Account

Documents on approximately 150 mutual fund accounts that Allstate did not have in their files.

5. Most of the New Account Documents that were missing from Allstate's files were from accounts that had been moved to Allstate from my prior firm in a block transfer in 2001. At the time of the block transfer in 2001, Allstate did not require that I provide updated New Account Documents for these accounts brought from my prior firm.
6. When Allstate, for the first time, requested receipt of the New Account Documents for the transferred clients in late 2016/early 2017, I could have satisfied Allstate's request by simply turning in the older signed paperwork that I had previously secured from my clients. Instead, I endeavored to do more than what was required by Allstate and to touch base with each of my clients and obtain updated New Account Documents even from those transfer accounts from whom I already possessed older, signed paperwork.
7. Shortly after I launched this expanded project, however, [REDACTED]
[REDACTED]
[REDACTED].
8. As my work hours became unexpectedly constricted [REDACTED], I requested an extension from Allstate in order to obtain signed copies of the few remaining New Account Documents, but Allstate declined my request.
9. When I was unable to obtain updated New Account Documents for a few of my customers despite multiple attempts, I, regrettably, signed their names on the administrative forms and turned those in to Allstate. [REDACTED], I simply lost sight of the fact that I could have sent in the old signed paperwork that already

had the customers' signatures to meet Allstate's requests or, even, that I could have used an account update form that did not even require a client signature.

10. I understand that the clients for whom I signed their names either affirmatively ratified and/or did not contest the New Account Documents, as the forms merely confirmed the customers' already-existing financial profiles. Significantly, such forms were never used to create new accounts and did not result in any transfer of funds in or out of any accounts. The forms did not impact any of the clients' financial condition, effectuate securities trades or otherwise negatively impact the clients' positions in any way, but were purely administrative forms, internal to Allstate. I understand that no customer complaints were ever made against me.
11. Allstate ultimately terminated my employment and submitted a Form U-5 that indicated that such termination was due to "non-genuine signatures on brokerage account documentation." I understand that this and other disclosures I provided prompted Nebraska to open its investigation.
12. Without admitting or denying the allegations, I agreed to enter into the Consent Order in Nebraska on September 6, 2017. (Record ("R.") at 000001-000008). The Consent Order indicated that I "had signed customer signatures on five New Account Documents" and had violated Neb. Rev. Stat. Section 8-1102(1), but did not specify which paragraph of the statute I had violated. The Consent Order fined me only \$1,000, with another \$1,000 payable as reimbursement to the NE Department, both of which have been fully paid. Further, I was suspended for only 20 days. I also agreed to abide by the terms of a Heightened Supervision Agreement for two years.

13. In reporting the regulatory action, the NE Department filed a Form U-6 indicating that the Consent Order was *not* a “final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.” (R. at 000069).
14. Notwithstanding the Form U-6, FINRA notified me on September 29, 2017 that I was subject to a statutory disqualification from associating with any FINRA member firm based on the Consent Order (the “SD Notice”, R. at 000019). In an attempt to resolve the matter with FINRA, my then-current employer obtained a letter from the NE Department in which Nebraska confirmed—again—that the Consent Order was *not* a “final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.” (R. at 000021).
15. Although FINRA acknowledged receipt of both the Form U-6 and the confirming letter from the NE Department, FINRA indicated that it did not have to agree with, or accept, the NE Department’s determination that my conduct was not fraudulent, manipulative or deceptive and could reach its own conclusions. FINRA refused to reconsider my statutory disqualification.
16. My then-current employer considered filing a MC-400 application to continue my registration with the firm, but it was later abandoned because my employer could not provide local supervision of my conduct as would be required. As a result, I was forced to resign on December 1, 2017.
17. On March 27, 2019, FINRA entered into a Letter of Acceptance, Waiver and Consent (“AWC”) with me arising from the same Consent Order. (R. at 000009-000017). The AWC determined that my same conduct in signing the New Account Documents violated FINRA Rule 2010 with regard to observing high standards of commercial honor and just

and equitable principles of trade and FINRA Rule 4511 by causing my prior firm, Allstate, to maintain inaccurate books and records. FINRA did not ban me from the industry, but only entered a three-month suspension and a \$5,000 fine. Further, FINRA reported on my BrokerCheck that that it did *not* consider the conduct to constitute “a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct” and checked the answer “No” to question 12 when disclosing the regulatory violation. (See BrokerCheck Report, attached as Exhibit A, p. 9).

18. As a result of the above, I am still statutorily disqualified, am no longer registered or associated with any FINRA-regulated broker-dealer and have had to sell my insurance agency and give up my financial business, all at significant cost.

19. I never understood that my entry into the Consent Order would subject me to even the possibility of statutory disqualification. To the contrary, I understood, as I understood the NE Department did too, that there had been no finding that I had committed fraudulent, manipulative or deceptive conduct. I certainly did not, and do not, believe that I had committed any fraudulent, manipulative or deceptive conduct, but rather had a lapse of judgment due to [REDACTED].

20. I agree to abide by any terms and conditions the Commission may place upon my being permitted to register with a FINRA Member Firm in the event the SD Notice is set aside.

FURTHER AFFIANT SAYETH NOT.

ROBERT L. BRYANT, III

Sworn to and subscribed before me, a Notary Public, this ____ day of September, 2020.

Notary Public



BrokerCheck Report

ROBERT L BRYANT III

CRD# 2494572

<u>Section Title</u>	<u>Page(s)</u>
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About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)

ROBERT L. BRYANT III

CRD# 2494572

This broker is not currently registered.

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

- 0 Principal/Supervisory Exams
- 3 General Industry/Product Exams
- 1 State Securities Law Exam

Registration History

This broker was previously registered with the following securities firm(s):

- B** **CHELSEA FINANCIAL SERVICES**
CRD# 47770
STATEN ISLAND, NY
07/2017 - 11/2017
- B** **ALLSTATE FINANCIAL SERVICES, LLC**
CRD# 18272
LINCOLN, NE
09/2001 - 06/2017
- B** **TRANSAMERICA FINANCIAL ADVISORS, INC.**
CRD# 3600
LOS ANGELES, CA
02/1996 - 10/2001

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

Are there events disclosed about this broker? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2
Termination	1

Broker Comments

This broker has provided comments regarding information that is displayed in this report.

Has the broker provided comments? **Yes**

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.

Broker Qualifications



Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 0 principal/supervisory exams, 3 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	11/30/2017
B General Securities Representative Examination	Series 7	03/20/1996
B Investment Company Products/Variable Contracts Representative Examination	Series 6	06/01/1994

State Securities Law Exams

Exam	Category	Date
B Uniform Securities Agent State Law Examination	Series 63	06/01/1994

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 07/2017 - 11/2017	CHELSEA FINANCIAL SERVICES	47770	STATEN ISLAND, NY
B 09/2001 - 06/2017	ALLSTATE FINANCIAL SERVICES, LLC	18272	LINCOLN, NE
B 02/1996 - 10/2001	TRANSAMERICA FINANCIAL ADVISORS, INC.	3600	LOS ANGELES, CA
B 06/1994 - 02/1996	SMITH HAYES FINANCIAL SERVICES CORPORATION	17059	LINCOLN, NE

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment	Employer Name	Position	Investment Related	Employer Location
07/2017 - Present	Chelsea Financial Services	REGISTERED REPRESENTATIVE	Y	Staten Island, NY, United States
08/2009 - Present	SOUTHEAST COMMUNITY COLLEGE	ACCOUNTING INSTRUCTOR	N	LINCOLN, NE, United States
11/2008 - Present	SOUTHEAST COMMUNITY COLLEGE	MACROECONOMIS INSTRUCTOR	N	LINCOLN, NE, United States
06/2015 - 06/2017	NEBRASKA WESLEYAN UNIVERSITY	ADJUNCT INSTRUCTOR	N	LINCOLN, NE, United States
04/2013 - 06/2017	UNIVERSITY OF NEBRASKA - LINCOLN	ADJUNCT INSTRUCTOR	N	LINCOLN, NE, United States
10/1997 - 06/2017	ALLSTATE INSURANCE COMPANY	AGENT	N	LINCOLN, NE, United States

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

Registration and Employment History



Other Business Activities, continued

1.SOUTHEAST COMMUNITY COLLEGE,NON INVEST, 84TH & O ST LINCOLN,NE 68505,
MACROECONOMICS INSTRUCTOR DUTIES:TEACH 1 COURSE TO APPROX 30 STUDENTS ON MACROECONOMICS AT THE COLLEGE
LEVEL:5%.

2.SOUTHEAST COMMUNITY COLLEGE,NON INVEST, 84TH & O ST LINCOLN,NE 68505,
ACCOUNTING INSTRUCTOR: TEACH 1 COURSE TO APPROX 30 STUDENTS ON ACCOUNTING AT THE COLLEGE LEVEL:5%, 20 HOURS
PER MONTH, 12 HOURS DURING TRADING, 3/6/14

Bryant Insurance Agency - Life Insurance Agent selling fixed life products



Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
 - o
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - § A "pending" event involves allegations that have not been proven or formally adjudicated.
 - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - § A "final" event has been concluded and its resolution is not subject to change.
 - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	2	0
Termination	N/A	1	N/A



Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

Disclosure 1 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	03/27/2019
Docket/Case Number:	2017054741201
Employing firm when activity occurred which led to the regulatory action:	Allstate Financial Services, LLC
Product Type:	No Product
Allegations:	Without admitting or denying the findings, Bryant consented to the sanctions and to the entry of findings that he forged signatures on updated new account documents for existing customers of his member firm. The findings stated that Bryant did not receive authorization or consent from any of the customers to affix their signatures to the documents. Subsequently, Bryant submitted the documents containing forged customer signatures to the firm. The findings also stated that Bryant caused the firm to make and preserve inaccurate records by submitting the inaccurate customer account documents that the firm was required to make and keep. These records were inaccurate because the signatures were not genuine and therefore the customer had not in fact reviewed and approved the documents.
Current Status:	Final



Resolution: Acceptance, Waiver & Consent(AWC)

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Resolution Date: 03/27/2019

Sanctions Ordered: Civil and Administrative Penalty(ies)/Fine(s)
Suspension

If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise? No

(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?



(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 1

Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	Three months
Start Date:	04/01/2019
End Date:	06/30/2019

**Monetary Sanction 1 of 1**

Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$5,000.00
Portion Levied against individual:	\$5,000.00
Payment Plan:	Deferred
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	

Disclosure 2 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	Nebraska Department of Banking and Finance
Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s) Monetary Penalty other than Fines Suspension
Date Initiated:	09/06/2017
Docket/Case Number:	2017-267
URL for Regulatory Action:	
Employing firm when activity occurred which led to the regulatory action:	Firm CRD # : 18272 Firm Name : ALLSTATE FINANCIAL SERVICES, LLC
Product Type:	No Product
Allegations:	1. Between September 28, 2001, and June 20, 2017, Bryant was registered in Nebraska as an agent of Allstate Financial Services, Inc., ("AFS") a broker-dealer registered in Nebraska. 2. On or about June 20, 2017, AFS submitted a Form US, Uniform Termination Notice for Securities Industry Registration ("Form U5"), terminating Bryant's employment with AFS. The Form U5 stated that Bryant was being terminated for "non-genuine signatures on brokerage account documentation."



3. On July 13, 2017, Bryant submitted a Form U4, Uniform Application for Securities Industry Registration or Transfer ("Form U4"), seeking to register as an agent of Chelsea Morgan Securities, Inc., d/b/a Chelsea Financial Services ("Chelsea"). The Form U4 contained an affirmative answer to Question #14(J)(I) which states, "Have you ever voluntarily resigned, been discharged or permitted to resign after allegations were made that accused you of violating investment-related statutes, regulations, rules, or industry standards of conduct?"

4. An affirmative answer to this question requires the filing of a Disclosure Reporting Page ("DRP"). Bryant's explanation in the DRP for the AFS termination was that he was "(d)ischarge(d) after allegations of non-genuine signatures on brokerage account documentation."

5. Bryant acknowledged to the Department that he had signed customer signatures on five New Account Documents.

Current Status:	Final
Resolution:	Consent
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	09/06/2017
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Monetary Penalty other than Fines Suspension Other: \$1000 fine - \$1000 Costs of Investigation - 20 day Suspension - 2 year firm heightened supervision
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	20 business days
Start Date:	09/06/2017
End Date:	10/05/2017

**Monetary Sanction 1 of 2****Monetary Related Sanction:** Monetary Penalty other than Fines**Total Amount:** \$1,000.00**Portion Levied against individual:** \$1,000.00**Payment Plan:****Is Payment Plan Current:** Yes**Date Paid by individual:** 09/07/2017**Was any portion of penalty waived?** No**Amount Waived:****Monetary Sanction 2 of 2****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$1,000.00**Portion Levied against individual:** \$1,000.00**Payment Plan:****Is Payment Plan Current:** Yes**Date Paid by individual:** 09/07/2017**Was any portion of penalty waived?** No**Amount Waived:****Regulator Statement** \$1000 fine - \$1000 Costs of Investigation - 20 day Suspension - 2 year firm heightened supervision**Reporting Source:** Broker**Regulatory Action Initiated By:** Nebraska Department of Banking and Finance**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)
Monetary Penalty other than Fines
Suspension



Date Initiated: 09/06/2017

Docket/Case Number: 2017-267

Employing firm when activity occurred which led to the regulatory action: Firm CRD# 18272 Firm Name: ALLSTATE FINANCIAL SERVICES, LLC

Product Type: No Product

Allegations: 1. Between September 28, 2001, and June 20, 2017, Bryant was registered in Nebraska as an agent of Allstate Financial Services, Inc., ("AFS") a broker-dealer registered in Nebraska. 2. On or about June 20, 2017, AFS submitted a Form US, Uniform Termination Notice for Securities Industry Registration ("Form U5"), terminating Bryant's employment with AFS. The Form U5 stated that Bryant was being terminated for "non-genuine signatures on brokerage account documentation." 3. On July 13, 2017, Bryant submitted a Form U4, Uniform Application for Securities Industry Registration or Transfer ("Form U4"), seeking to register as an agent of Chelsea Morgan Securities, Inc., d/b/a Chelsea Financial Services ("Chelsea"). The Form U4 contained an affirmative answer to Question #14(J)(I) which states, "Have you ever voluntarily resigned, been discharged or permitted to resign after allegations were made that accused you of violating investment-related statutes, regulations, rules, or industry standards of conduct?" 4. An affirmative answer to this question requires the filing of a Disclosure Reporting Page ("DR P"). Bryant's explanation in the DRP for the AFS termination was that he was "(d)ischarge(d) after allegations of non-genuine signatures on brokerage account documentation." 5. Bryant acknowledged to the Department that he had signed customer signatures on five New Account Documents.

Current Status: Final

Resolution: Consent

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Resolution Date: 09/06/2017

Sanctions Ordered: Civil and Administrative Penalty(ies)/Fine(s)
Monetary Penalty other than Fines
Suspension
Other: \$1000 fine - \$1000 Costs of Investigation - 20 day Suspension - 2 year firm heightened supervision

**Sanction 1 of 1**

Sanction Type: Suspension
Capacities Affected: all capacities
Duration: 20 business days
Start Date: 09/06/2017
End Date: 10/05/2017

Monetary Sanction 1 of 2

Monetary Related Sanction: Monetary Penalty other than Fines
Total Amount: \$1,000.00
Portion Levied against individual: \$1,000.00
Payment Plan:
Is Payment Plan Current: Yes
Date Paid by individual: 09/07/2017
Was any portion of penalty waived? No

Amount Waived:**Monetary Sanction 2 of 2**

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$1,000.00
Portion Levied against individual: \$1,000.00
Payment Plan:
Is Payment Plan Current: Yes
Date Paid by individual: 09/07/2017
Was any portion of penalty waived? No

Amount Waived:

Broker Comment: IN EARLY NOVEMBER 2016 MY BROKER DEALER, ALLSTATE FINANCIAL SERVICES (AFS), ASKED ME FOR COPIES OF NEW ACCOUNT FORMS (NAF)



ON ABOUT 150 OF MY CLIENT ACCOUNTS. ALTHOUGH I HAD SUBMITTED THESE FORMS TO AFS EACH TIME AN ACCOUNT WAS OPENED, AFS DIDN'T HAVE THEM ON FILE FOR THESE 150 ACCOUNTS. MOST OF THE 150 ACCOUNTS WERE OLDER (15 YEARS PLUS) ACCOUNTS. I HAD A NAF SIGNED BY EACH CLIENT WHEN THEY ORIGINALLY OPENED THEIR ACCOUNTS. SOME OF THESE FORMS WERE FROM MY PRIOR BROKER DEALER. IN ADDITION TO NEW ACCOUNT FORMS I HAD SENT IN UPDATED INFORMATION FORMS ON SOME OF THE ACCOUNTS AS I COLLECTED THEM. THE UPDATES WERE NOT ALWAYS SIGNED BY CLIENTS AS THAT IS NOT A REQUIREMENT. WHEN AFS ASKED FOR THE PAPERWORK I COULD HAVE SENT IN WHAT I HAD BUT I LET AFS KNOW THAT I WAS GOING TO GET NEW FORMS FOR EACH OF THE 150 ACCOUNTS SO THAT THE INFORMATION WAS FRESH. THIS WOULD GIVE ME AN OPPORTUNITY TO REVIEW THINGS WITH EACH OF THESE CLIENTS. AFS GAVE ME A DEADLINE FOR SUBMITTING THE PAPERWORK OF JANUARY 31, 2017. IN AN EFFORT TO MEET THE DEADLINE I SIGNED A FEW OF THE CLIENT'S NAMES TO THE DOCUMENTS THAT AFS NEEDED. I DEEPLY REGRET THAT DECISION.

I BELIEVE IT'S NOTEWORTHY THAT I HAVE HAD NO PRIOR DISCIPLINARY EVENTS. IN ADDITION, I BELIEVE THERE IS A CRITICAL MITIGATING FACTOR IN MY ACTIONS. WE HAD A [REDACTED] AND CONTINUED ON FOR MONTHS AFTER THAT. I HAD TO DRAMATICALLY LESSEN THE HOURS I SPENT AT THE OFFICE. MY WIFE AND I WERE DEPRIVED OF SLEEP AND UNDER AN ENORMOUS AMOUNT OF STRESS AT THAT TIME DUE TO THE HEALTH ISSUE AND IT'S IMPACT ON OUR FAMILY. MY WORK HAD TAKEN A BACKSEAT AND MY FOCUS WASN'T THERE.

BECAUSE OF THE NATURE OF THE SITUATION AT HOME, AND THE FACT THAT IT WAS ONGOING AT THE TIME THAT I WAS QUESTIONED BY ALLSTATE AND LATER THE STATE OF NEBRASKA DEPARTMENT OF BANKING AND FINANCIAL I DIDN'T FEEL COMFORTABLE SHARING INFORMATION REGARDING THE HEALTH PROBLEM AND ANY IMPACT IT HAD IN THIS CASE.

IF I HAD BEEN IN A MORE RATIONAL STATE OF MIND IN EARLY 2017 THEN;
1. I COULD SKIPPED THE IDEA OF GETTING NEW FORMS FROM EVERYONE AS THAT WAS MY OWN IDEA IN THE FIRST PLACE. AS THE DEADLINE NEARED I FORGOT THAT I WAS EVEN ABLE TO TURN IN THE OLD ONES.
2. I COULD HAVE SENT IN UNSIGNED UPDATES RATHER THAN WORRYING ABOUT GETTING SIGNATURES.
3. I WOULD HAVE REALIZED THE INSIGNIFICANCE OF THE DEADLINE. THE DEADLINE WAS SIMPLY THE POINT AT WHICH AFS WOULD THEN ATTEMPT TO GET THE PAPERWORK FROM CLIENTS VIA DIRECT MAIL.

I THINK IT IS ALSO IMPORTANT TO NOTE THAT THE DOCUMENTS IN



QUESTION WERE NOT BEING USED TO ESTABLISH NEW ACCOUNTS. THE PURPOSE WAS TO PROVIDE A FINANCIAL PROFILE ON THESE CUSTOMERS. THE DOCUMENTS DID NOT RESULT IN ANY MOVEMENT OF FUNDS IN, OUT OR WITHIN OF ANY ACCOUNTS. CONFIRMATIONS OF THE INFORMATION PROVIDED WERE MAILED TO EACH ACCOUNT HOLDER INVOLVED FOR VERIFICATION.



Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

Disclosure 1 of 1

Reporting Source: Firm

Employer Name: Allstate Financial Services, LLC

Termination Type: Discharged

Termination Date: 06/15/2017

Allegations: Discharge after allegations of non-genuine signatures on brokerage account documentation.

Product Type: Insurance

Reporting Source: Broker

Employer Name: Allstate Financial Services, LLC

Termination Type: Discharged

Termination Date: 06/15/2017

Allegations: Discharge after allegations of non-genuine signatures on brokerage account documentation.

Product Type: Insurance

End of Report



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