

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016049674301**

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

RE: Martin Earl Brooks, Respondent
General Securities Representative
CRD No. 4507464

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Martin E. Brooks ("Brooks"), 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I 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

Brooks entered the securities industry in February 2002, when he became registered as an Investment Company Products/Variable Contracts Representative ("IR") with a FINRA-regulated broker-dealer, where he remained until December 2003. Between January 2004 to September 2006, Brooks was associated with another FINRA-regulated broker-dealer, as an IR and General Securities Representative ("GSR").

In October 2006, Brooks became associated with Multi-Financial Securities Corporation (n/k/a Cetera Advisors LLC (the "Firm" or "Cetera") a FINRA-regulated broker-dealer, where he became registered as an IR and GSR.

Brooks holds the following securities licenses: Series 6 (February 2002), Series 7 (April 2004), Series 63 (February 2002) and Series 66 (May 2006).

On April 19, 2016, Cetera filed a Form U5 reporting the termination of Brooks' employment on April 15, 2016, based on a customer complaint alleging that Brooks recommended unsuitable investments.

In June 2016, Brooks became associated as a GSR with another FINRA-regulated broker-dealer, where he is currently employed. Given his continuing employment with a FINRA-registered broker-dealer, Brooks remains subject to FINRA's jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Brooks has no relevant disciplinary history in the securities industry.

OVERVIEW

On April 5, 2016, without prior written authorization, Brooks exercised discretionary trading authority for five different Firm customers, by purchasing shares in a real estate fund for each customer, in violation of NASD Rule 2510(b) and FINRA Rule 2010. Brooks also violated FINRA Rules 4511 and 2010 by mismarking the five order tickets associated with the trades as "unsolicited" instead of "discretion exercised" and "solicited," which caused his FINRA-regulated broker-dealer to maintain inaccurate books and records in violation of Section 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17a-3 thereunder.

FACTS AND VIOLATIVE CONDUCT

1. Violation of NASD Rule 2510(b) and FINRA Rule 2010 - Exercising Discretion Without Written Authorization

NASD Rule 2510(b) provides that no member or registered representative shall exercise any discretionary power in a customer's account unless such customer has given prior written authorization to a stated individual or individuals and the account has been accepted by the member, as evidenced in writing by the member or the partner, officer or manager, duly designated by the member.

FINRA Rule 2010 provides that a member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.

A violation of NASD Rule 2510 is also a violation of FINRA Rule 2010.

Cetera maintained policies and procedures that prohibited representatives from exercising any discretionary power in placing an order for the purchase or sale of securities for a client without first obtaining written approval from the client.

On April 5, 2016, Brooks exercised discretionary trading authority for five different Firm customers, by purchasing shares in a real estate fund for each customer, without written authorization, and without prior written acceptance of the accounts as discretionary from Cetera.

By virtue of the foregoing, Brooks violated NASD Rule 2510(b) and FINRA 2010.

2. Violation of FINRA Rules 4511 and 2010 - Mismarking Order Tickets as Unsolicited Which Caused the Firm's Books and Records to be Inaccurate

FINRA Rule 4511 provides that each member shall make and preserve books and records in conformity with Exchange Act Rule 17a-3. Exchange Act Rule 17a-3 requires that firms make and keep current books and records relating to its business, including memoranda of each brokerage order. Entering inaccurate information in a broker-dealer's books or records, or causing such information to be entered, violates FINRA Rules 4511 and 2010.

The Firm's policies required that discretionary trades be marked as "discretion exercised" and "solicited" in the Firms' order systems at the times that the orders were entered.

On April 5, 2016, Brooks mismarked the order tickets for the five solicited purchases of the real estate fund shares by marking them as unsolicited. By failing to mark the five trade order tickets as discretionary and solicited in the Firms' order systems at the times that the orders were entered, and by improperly marking the trades as unsolicited, Brooks caused the Firm to create and maintain inaccurate books and records, in violation of Section 17(a) of the Exchange Act and Rule 17a-3 promulgated thereunder.

By virtue of the foregoing, Brooks violated FINRA Rules 4511 and 2010.

B. I also consent to the imposition of the following sanctions:

- A suspension from association with any FINRA member in any capacity for 15-business days; and
- A fine of \$5,000.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

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

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive any right to claim bias or prejudice 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.

I further specifically and voluntarily waive 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

I 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 me; and
- C. If accepted:
 - 1. This AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 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. I 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. I 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 my: (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. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

I certify that I 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.

2/24/18
Date



Martin Earl Brooks, Respondent

Reviewed by:

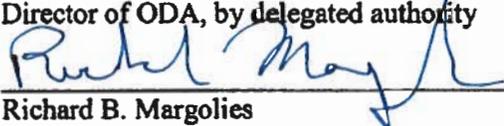


Jeff Lawrence, Esq.
Counsel for Respondent
Smith Lawrence, LC
700 W. 31st Street, Suite 408
Kansas City, MO 64108
jeff@smithlawrence.com

Accepted by FINRA:

3/16/18
Date

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



Richard B. Margolies
Senior Counsel
FINRA Department of Enforcement
Brookfield Place
200 Liberty Street, 11th Floor
New York, New York 10281