

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2017055975701**

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

RE: Bradley Everett Gardner, Respondent  
General Securities Representative  
CRD No. 4423724

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, I, Bradley Everett Gardner (“Gardner” or “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 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**

Gardner entered the securities industry in July 2001 when he became associated with a FINRA-regulated broker-dealer. From June 2005 through February 2012, Gardner was associated with two other FINRA-regulated broker-dealers. Gardner holds the following securities licenses: Series 7 (September 2001), Series 63 (October 2001), Series 66 (June 2006) and Series 31 (March 2008).

In February 2012, Gardner became registered as a General Securities Representative (“GSR”) with LPL Financial LLC (“LPL or the “Firm”), a FINRA-regulated broker-dealer. While associated with LPL, Gardner was also associated with two unaffiliated third-party registered investment advisors. In a Uniform Termination Notice for Securities Industry Registration (“Form U5”) dated October 18, 2017, the Firm reported Gardner’s voluntary resignation following “allegations ... that he accepted a client check made payable to himself.”

Although Gardner is not currently associated with a FINRA-regulated broker-dealer, he remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4 of FINRA’s By-Laws.

## **RELEVANT DISCIPLINARY HISTORY**

Gardner has no prior disciplinary history in the securities industry.

## **OVERVIEW**

In June 2017, Gardner accepted a personal check in the amount of \$7,400 from his elderly Firm customer, who believed she was pre-paying her advisory account fees. However, Gardner deposited the check into his personal bank account, and used the funds to pay for his personal expenses. By converting customer funds, Gardner violated FINRA Rules 2150(a) and 2010.

## **FACTS AND VIOLATIVE CONDUCT**

Conversion is the intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it. Conversion of customer funds violates FINRA Rule 2150(a), which provides that “[n]o member or person associated with a member shall make improper use of a customer’s securities or funds.” FINRA Rule 2010 requires that all associated persons “observe high standards of commercial honor and just and equitable principles of trade.” A violation of FINRA Rule 2150 also violates FINRA Rule 2010.

During the period of January 2017 to September 2017 (the “Relevant Period”), the Firm’s written supervisory procedures (“WSPs”) prohibited GSRs from accepting a check from a Firm customer and made payable to them directly. The Firm’s WSPs further prohibited its GSRs from taking custody, control or possession of any customer funds outside the parameters of their LPL practice, and from misusing or misdirecting customer funds.

GB, an elderly customer of Gardner and the Firm, had four Firm accounts; three were managed through the Firm’s fee-based, or “advisory” account structure and the fourth through the Firm’s traditional commission-based structure. Gardner told GB that she could pre-pay the fees associated with her advisory Firm accounts at a discount by writing a check made payable to him, and that he would then “turn off” the fees associated with her advisory Firm accounts until March 2019. On June 2, 2017, Gardner accepted a personal check in the amount of \$7,400 from GB. However, Gardner deposited the check into his personal bank account and used the funds for his personal expenses, and the Firm continued to charge GB the fees associated with her advisory Firm accounts. When Gardner’s misconduct was discovered by LPL in September 2017, he reimbursed GB the \$7,400.

By converting his customer’s funds for his personal use, Gardner violated FINRA Rules 2150(a) and 2010.

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

A bar from association with any FINRA member in any capacity.

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 8130 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

## **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 prejudgment 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.


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 understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; 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.

6/4/2018  
Date (mm/dd/yyyy)

  
Bradley Everett Gardner, Respondent

Accepted by FINRA:

6/4/2018  
Date

Signed on behalf of the  
Director of ODA, by delegated authority  
  
Joseph E. Strauss  
Senior Counsel  
FINRA Department of Enforcement  
One Brookfield Place  
200 Liberty Street, 11<sup>th</sup> Floor  
New York, NY 10281