FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT, Complainant, v. BRADLEY CLAUS (CRD No. 5127951), Respondent.	Disciplinary Proceeding No. 2012033520801 Hearing Officer – Andrew H. Perkins **AMENDED DEFAULT DECISION** May 18, 2015

Respondent misrepresented material facts in connection with the sale of securities in emails he sent using an unapproved personal email account, in violation of FINRA Rule 2010. For these violations Respondent is barred in all capacities. Respondent also participated in securities transactions outside the scope of his employment with a FINRA member firm, without providing prior written notice to the firm, in violation of NASD Rules 3040 and FINRA Rule 2010. For this violation, Respondent would otherwise be suspended for three months. However, the suspension is not imposed in light of the bars imposed for the other two violations.

Appearances

Lane Thurgood, Esq., for FINRA's Department of Enforcement, Complainant.

No appearance by or on behalf of Bradley Claus, Respondent.

DECISION

I. Introduction

Respondent Bradley Claus was formerly a registered securities broker with FINRA member firm Transamerica Financial Advisors, Inc. FINRA's Department of Enforcement initiated an investigation into Claus's sales activities at Transamerica after the firm reported that Claus had engaged in wrongful conduct in connection with his securities business.

The attached Amended Complaint alleges that Claus (i) participated in private securities transactions that Transamerica had not authorized, (ii) made material misrepresentations in connection with his efforts to sell securities, and (iii) used an unapproved personal email address

to conduct securities business. The Amended Complaint alleges that Claus thereby violated NASD Rule 3040 and FINRA Rule 2010.[1]

Claus did not answer the Amended Complaint. Thus, Enforcement moved for the entry of a default decision pursuant to Rule 9215(f) and 9269(a). Enforcement's motion is supported by the Declaration of Lane Thurgood and ten exhibits.[2]

II. Findings of Fact and Conclusions of Law

A. Claus's Background

Claus entered the securities industry in 2006.[3] In January 2012, Claus joined Transamerica as an Investment Company and Variable Contracts Products Representative and an Investment Company and Variable Contracts Products Principal. He was registered with FINRA in both capacities and was associated with Transamerica until August 8, 2012.[4]

On August 8, 2012, Transamerica filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") with FINRA's Central Registration Depository ("CRD"), disclosing that Transamerica discharged Claus because he "solicited [an] investment opportunity not approved for sale by the firm."[5] Transamerica filed an Amended Form U5 on March 26, 2013, disclosing that it had received a customer complaint on March 19, 2013, which indicated that Claus may have engaged in other misconduct while he was associated with the firm.[6]

B. FINRA's Jurisdiction

FINRA has jurisdiction over this disciplinary proceeding pursuant to Article V, Section 4(a)(i) of FINRA's By-Laws. Enforcement filed the original Complaint with the Office of Hearing Officers on September 22, 2014, which was within two years of the date Transamerica filed the Amended Form U5, and the Complaint alleges that Claus engaged in misconduct while he was registered and associated with Transamerica.[7]

C. Origin of the Investigation

Enforcement commenced an investigation of Claus after Transamerica reported that it had discharged him for soliciting the sale of an unapproved security. Enforcement expanded its

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[1] NASD's and FINRA's Rules are available at www.finra.org/rules.

[2] Enforcement's exhibits are labeled CX-1 through CX-10.

[3] CX-2, at 2.

[4] *Id.*

[5] CX-1.

[6] CX-3.

[7] *See* Article V, Sec. 4, FINRA By-Laws, www.finra.org/rules (then follow "FINRA Manual" hyperlink to "Corporate Organization: By-Laws"); Thurgood Decl. ¶ 7.

investigation after Transamerica reported a customer complaint in March 2013. This investigation led Enforcement to initiate this disciplinary proceeding.

D. Claus's Default

Enforcement served Claus with the Amended Complaint in accordance with FINRA's Code of Procedure. On September 22, 2014, Enforcement served Claus with the Complaint and Notice of Complaint. Claus did not respond. However, DG, a person Claus had solicited to purchase a security, contacted Enforcement and advised that he too had been harmed by Claus. Accordingly, Enforcement amended the Complaint to include this claim. On October 8, 2014, Enforcement mailed the Amended Complaint and Notice of Complaint by certified mail, return receipt requested, to Claus at his residential address as reflected in CRD.[8] Claus did not answer the Amended Complaint.

On November 10, 2014, Enforcement again served Claus with a copy of the Amended Complaint. Enforcement mailed the Amended Complaint and Second Notice of Complaint by certified mail, return receipt requested, to Claus at his CRD address.[9]

During the investigation, Enforcement learned that Claus no longer lived at his CRD address.[10] Thus, on January 7, 2015, Enforcement mailed a copy of the Amended Complaint and a Third Notice of Complaint to Claus by certified mail, return receipt requested, to his new address. Enforcement received the signed receipt reflecting that Claus received the Amended Complaint on January 17, 2015.[11] Nonetheless, Claus did not answer the Complaint.

To date, Claus has not filed an Answer or otherwise responded to the Amended Complaint. FINRA Rule 9134(b) provides for service of a complaint on a natural person by certified mail to the person's residential address as indicated in CRD. The Hearing Officer finds that Claus received notice of the Complaint in this proceeding. Accordingly, the Hearing Officer finds that Claus defaulted by failing to file an Answer or otherwise respond to the Amended Complaint.[12]

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[8] Thurgood Decl. ¶ 10.

[9] Thurgood Decl. ¶ 12.

[10] Thurgood Decl. ¶ 14. Claus also advised Enforcement that his ex-wife lived at the CRD address, and she forwarded some mail to him.

[11] CX-8.

[12] By virtue of Claus's default, the Hearing Officer deems the allegations of the Complaint admitted. *See* FINRA Rule 9269(a)(2).

E. Claus Participated in Private Securities Transactions without Providing His Firm with Prior Written Notice

1. NASD Rule 3040

NASD Rule 3040 prohibits a registered person from participating in any private securities transaction without first providing written notice describing the proposed transaction and his role in that transaction to the firm with which he is associated. The registered person must also apprise the firm of whether he will receive selling compensation in connection with the transaction.

To prove a violation of Rule 3040, Enforcement must: (1) establish that the product is a security; (2) demonstrate that the respondent participated in the transaction; and (3) prove that the respondent did not provide prior written notice to his firm.[13]

2. Claus's Private Securities Transactions

Between September 2010 and August 2012, Claus solicited three individuals to invest in RJ Oil and Gas Co. LLC. Two of the individuals, JM and MM, were Transamerica customers. The third, DG, was not.

In mid-2010, JM and MM told Claus that they were interested in investments that would yield tax deductions beyond those provided by a standard Individual Retirement Account. Claus then introduced JM and MM to a sales representative of RJ Oil and Gas, which was a limited liability company based in Texas. Claus arranged and participated in a conference call with the customers and the RJ Oil and Gas sales representative. Claus and the sales representative told JM and MM that if they invested they would receive a tax deduction, an interest in RJ Oil and Gas, and dividend payments.[14]

On September 29, 2010, JM and MM wired $15,000 to a bank account for the benefit of RJ Oil and Gas. Following their investment, JM and MM received one dividend payment of $2,000. They received no other funds from RJ Oil and Gas.[15]

Claus also solicited DG to invest in RJ Oil and Gas. DG was a novice investor. He had never before purchased a security. Claus recommended that DG invest $18,000 in RJ Oil and Gas. Based on Claus's recommendation, DG invested $9,000. Claus told DG that he had another

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[13] *See Dep't of Enforcement v. De Vietien*, No. 2006007544401, 2010 FINRA Discip. LEXIS 45, at *14-29 (NAC Dec. 28, 2010).

[14] Amended Complaint ("Compl.") ¶ 9.

[15] *Id.* ¶¶ 10-11.

investor who would invest the other $9,000.[16] DG never received any return on his investment. DG's investment is evidenced by a purchase of interest agreement dated December 20, 2010.[17]

3. The Interests in RJ Oil and Gas are Securities

The interests purchased by JM, MM, and DG in RJ Oil and Gas are securities.[18] The interests meet the definition of "investment contract" enunciated by the Supreme Court in *SEC v. W.J. Howey Co.*[19] In *Howey*, the Court held that, to establish the existence of an investment contract, and consequently a security, there must be: (1) an investment of money; (2) in a common enterprise; (3) with an expectation of profits; (4) to come solely from the efforts of a third party.[20] In this case, the investors purchased a "working interest" in an oil and gas lease owned by RJ Oil and Gas plus a "working interest" in all wells and equipment of the leased property.[21] They also received the right to participate in the development of any additional wells drilled or re-completed on the leased property. Moreover, both the Securities Act of 1933 and the Securities Exchange Act of 1934 define securities to include fractional undivided interests in oil, gas, and mineral rights.

4. Claus Participated in the Transactions

The reach of Rule 3040 is very broad, encompassing the activities not only of the associated person who makes the sale, but also those who participate "in any manner" in the transaction.[22] While Claus was associated with Transamerica, he participated in the sales of interests in RJ Oil and Gas by referring JM, MM, and DG to RJ Oil and Gas and recommending that they invest in RJ Oil and Gas.

5. Claus Did Not Provide Prior Written Notice to Transamerica

Claus did not did not provide prior written notice of his sales activities of interests in RJ Oil and Gas.[23] Moreover, RJ Oil and Gas was not on Transamerica's approved list of securities.[24]

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[16] *Id.* ¶ 13.

[17] CX-10.

[18] Compl. ¶¶ 4, 9, 14, 16.

[19] 328 U.S. 293, 299 (1946).

[20] 328 U.S. at 298-99.

[21] *See* CX-10.

[22] *See Stephen J. Gluckman*, 54 S.E.C. 175, 183 (1999).

[23] Compl. ¶¶ 18-19; Thurgood Decl. ¶ 24.

[24] Compl. ¶¶ 17–19.

Accordingly, the allegations of the Complaint are sufficient to establish, for purposes of this default decision, that Claus violated NASD Rule 3040 and FINRA Rule 2010[25] by engaging in private securities transactions without providing Transamerica prior written notice of his activities.

F. Misrepresentations of Material Facts in the Sale of Promissory Notes Issued by Southern Hospitality

Claus made material misrepresentations to induce customer JB to purchase promissory notes issued by Southern Hospitality,[26] which Claus represented was a restaurant chain.[27] In an email dated July 18, 2012, which Claus sent from his personal email account, he made the following misrepresentations of material fact concerning the proposed investment:

- There was a 5% note to back up the investment. Therefore, if everything falls apart and the stock isn't worth anything, JB would be guaranteed 5%. In fact, there was no 5% guarantee for the unsecured notes.[28]

- Two music celebrities, Justin Timberlake and Ryan Tedder, owned the restaurant chain. In fact, neither owned the restaurant chain.[29]

- Claus was investing his personal money in Southern Hospitality. This was false, he never invested any of his own money in Southern Hospitality.[30]

Claus violated FINRA Rule 2010 by making these false representations to induce JB to invest in Southern Hospitality. Rule 2010 requires FINRA members to observe high standards of commercial honor and just and equitable principles of trade in connection with the conduct of their business. FINRA Rule 0140 applies this requirement to associated persons such as Claus. FINRA Rule 2010 "states a broad ethical principle" and is violated when a respondent engages in unethical conduct.[31]

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[25] *See Steven J. Gluckman*, 54 S.E.C. 175, 185 (1999) (finding a violation of NASD Rule 2110 (now FINRA Rule 2010) based on long-standing, judicially recognized policy that a violation of any other FINRA or NASD Rule also constitutes a violation Rule 2110); *Dep't of Enforcement v. Mielke*, No. 2009019837302, 2014 FINRA Discip. LEXIS 24, at *8 n.3 (NAC July 18, 2014) (finding that a violation of any FINRA Rule violates NASD Rule 2110 and FINRA Rule 2010).

[26] Transamerica did not authorize Claus to sell investments in Southern Hospitality. Compl. ¶ 29.

[27] Compl. ¶ 23.

[28] *Id.* ¶ 25.

[29] *Id.* ¶ 26.

[30] *Id.* ¶ 27.

[31] *Heath v. SEC*, 586 F.3d 122, 132 (2d Cir. 2009) (citing *Benjamin Werner*, 44 S.E.C. 622 (1971)). *See Dep't of Enforcement v. Taylor*, No. C8A050027, 2007 NASD Discip. LEXIS 11, at *22 (NAC Feb. 27, 2007); *Dep't of Enforcement v. Davenport*, No. C05010017, 2003 NASD Discip. LEXIS 4, at *8 (NAC May 7, 2003).

G. Claus Used an Unapproved Personal Email Account

Transamerica required its registered representatives to use the email accounts it provided to conduct their securities business and prohibited them from using their personal email accounts.[32] Nonetheless, Claus used his personal Gmail account to communicate with customer JB on multiple occasions.[33] Further, Claus included Transamerica's name, address, and telephone number on those emails, thereby creating the false appearance that use of his personal account had been authorized by Transamerica.[34]

Claus did not inform Transamerica that he used his Gmail account in the conduct of his securities business.[35] Thus, by using his personal Gmail account rather than his Transamerica email account, Claus circumvented Transamerica's supervisory review of his email communications with JB.

The Hearing Officer concludes that Claus violated FINRA Rule 2010 by using his personal email account to communicate with customer JB. FINRA Rule 2010 is "broad enough to encompass business-related conduct that is inconsistent with just and equitable principles of trade."[36] By using his personal email account to communicate with JB, and by not providing Transamerica with copies of that correspondence, Claus circumvented and violated Transamerica's written supervisory procedures. This activity is inconsistent with high standards of commercial honor and just and equitable principles of trade and therefore a violation of Rule 2010.[37]

III. Sanctions

A. Private Securities Transactions

The purpose of NASD Rule 3040 is to ensure that FINRA members can adequately supervise the suitability and due diligence responsibilities of their registered persons.[38] The Rule also serves to "protect employers against investor claims arising from an associated person's private transactions and to prevent customers from being misled as to the employing firms'

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[32] Compl. ¶ 32.

[33] *Id.* ¶ 34.

[34] *Id.*

[35] *Id.* ¶ 35.

[36] *Dep't of Enforcement v. Zaragoza*, No. E8A2002109804, 2008 FINRA Discip. LEXIS 28, at *27 n.21 (NAC Aug. 20, 1998) (quoting *Vail v. SEC*, 101 F.3d 37, 39 (5th Cir. 1996) (citation omitted)).

[37] *See Zaragoza*, 2008 FINRA Discip. LEXIS 28, at *25-27.

[38] *See Dep't of Enforcement v. Carcaterra*, No. C10000165, 2001 NASD Discip. LEXIS 39, at *8 (NAC Dec. 13, 2001).

sponsorship of their associated person's transactions."[39] Claus's misconduct enabled him to circumvent Transamerica's supervisory procedures and contravened the intent of Rule 3040.

The FINRA Sanction Guidelines ("Guidelines") for private securities transactions state that "[t]he first step in determining sanctions is to assess the extent of the selling away, including the dollar amount of sales, the number of customers and the length of time over which the selling away occurred."[40] For sales of less than $146,000, the Guidelines recommend a suspension of ten business days to three months. In addition, the Guidelines recommend a fine of $5,000 to $73,000.[41] Here, the value of Claus's private securities transactions was $24,000. He participated in transactions involving three investors over the course of four months.

Several aggravating factors exist. First, JM and MM lost $13,000, and DG lost $9,000 on their investments in RJ Oil and Gas. Second, Claus did not provide verbal notice to Transamerica of his private securities transactions. Third, Claus directly participated in the sales of the interests in RJ Oil and Gas. There are no mitigating factors.

Taking into consideration the aggravating factors present in this case, I find that a three-month suspension in all capacities is the appropriate sanction.

B. Material Misrepresentations and Use of Personal Email Account

For intentional or reckless misconduct the Guidelines for misrepresentations or material omissions of facts provide for fines ranging from $10,000 to $146,000 and advise adjudicators that they should strongly consider a bar unless mitigating factors predominate.[42] The Guidelines do not include specific principal considerations for those violations. Thus, I considered the General Principles Applicable to All Sanction Determinations.[43]

FINRA has not established a specific sanction guideline for the unapproved use of a personal email account for business-related communications. Thus, I considered the Guidelines for recordkeeping violations[44] as well as the General Principles Applicable to All Sanction Determinations.

The Guideline for recordkeeping violations recommends a fine of $1,000 to $15,000 and, in egregious cases, a fine of $10,000 to $146,000.[45] The Guideline also recommends that the

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[39] *Id.* at *8-9.

[40] FINRA Sanction Guidelines at 14 (2015), http://www.finra.org/industry/sanction-guidelines.

[41] *Id.*

[42] *Id.* at 88.

[43] *Id.*

[44] *See Zaragoza*, 2008 FINRA Discip. LEXIS 28, at *31-32 (affirming the application of the recordkeeping Guidelines for respondent's failure to submit for review and approval email correspondence sent from respondent's personal email account).

[45] Guidelines at 29.

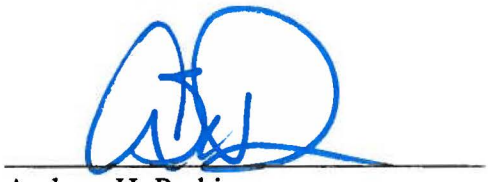
adjudicator consider a suspension for up to 30 business days and a lengthier suspension or a bar in egregious cases.

Applying the foregoing Guidelines, the Hearing Officer concludes that Claus's conduct was egregious. The evidence demonstrates that he made repeated material misstatements to induce JB to purchase promissory notes issued by Southern Hospitality, which had not been approved for sale by Transamerica. Further, Claus used his personal Gmail account in making these misrepresentations, thereby avoiding any supervisory oversight by Transamerica. And he included Transamerica's name, address, and telephone number on the emails to make it appear that Transamerica had approved the promissory notes for sale to its customers. There are no mitigating factors. Thus, the Hearing Officer concludes that the appropriate sanction for both violations is a bar.

IV. Order

Respondent Bradley Claus is barred from associating with any FINRA member firm in all capacities for making material misstatements in connection with the sale of securities through the use of an unapproved personal email account, in violation of FINRA Rule 2010. The bar shall become effective immediately if this Default Decision becomes the final disciplinary action of FINRA.[46]

In light of the bar imposed for each violation, the Hearing Officer declines to impose the three-month suspension for engaging in private securities transactions, in violation of NASD Rules 3040 and FINRA Rule 2010.



Andrew H. Perkins
Hearing Officer

Copies:

Bradley Claus (via first-class mail)
Lane Thurgood, Esq. (via email and first-class mail)
Mark A. Koerner, Esq. (via email)
Jeffrey Pariser, Esq. (via email)

[46] I do not impose the suspension for engaging in private securities transactions in violation of NASD Rules 3040 and FINRA Rule 2010.

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Bradley Claus (CRD No. 5127951),

Respondent.

DISCIPLINARY PROCEEDING
No. 2012033520801

AMENDED COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between September 2010 and April 2013 ("the relevant time period"), Claus participated in securities transactions by two firm customers and one non-firm customer without providing notice to and receiving approval from his member firm. Claus thereby violated NASD Rule 3040 and FINRA Rule 2010.

2. Claus also made material misstatements of fact to a customer in e-mails regarding a potential investment. Claus thereby violated FINRA Rule 2010.

3. Claus sent the aforementioned e-mails from a personal e-mail account that had not been approved by his member firm. The e-mails contained the firm's contact information—thus appearing to be firm e-mails. Throughout the relevant time period, the firm required Claus to only use an approved firm e-mail in conducting securities

business. Claus violated FINRA Rule 2010 by circumventing his firm's supervisory system and procedures.

RESPONDENT AND JURISDICTION

4. Claus entered the securities industry in 2003. He holds Series 6, 26, 63, and 65 licenses. Claus began working for World Group Securities, Inc. in August 2006. Claus remained with the firm when it became part of Transamerica Financial Advisors, Inc. ("Transamerica" or "the Firm") in January 2012. He was terminated by Transamerica and the Firm filed a Form U-5 on August 8, 2012. On March 26, 2013, the Firm filed an Amendment to the U-5 and disclosed that it received information that Claus had solicited a client to invest $15,000 into an oil and gas company not approved for sale by the firm.

5. Although Claus is no longer registered nor associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the March 26, 2013, amendment to Respondent's notice of termination disclosed that he may have engaged in conduct actionable under FINRA rules, (2) that amendment was filed within two years of the effective date of the original notice of termination filed August 8, 2012, and (3) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FIRST CAUSE OF ACTION
PRIVATE SECURITIES TRANSACTION
NASD RULE 3040 AND FINRA RULE 2010

6. The Department realleges and incorporates by reference paragraphs 1 through 5 above.

Customers JM and MM

7. During the relevant time period, customers JM and MM, a married couple, had an account at Transamerica for which Claus served as the registered representative.

8. In mid-2010, JM and MM told Claus they were interested in tax deductions beyond those provided by a standard IRA.

9. Claus thereafter introduced JM and MM to a sales representative of RJ Oil and Gas Co. LLC. Claus arranged a phone conversation with the customers, the representative and himself. Claus and the sales representative told the customers that by investing in RJ Oil and Gas, they would receive a tax deduction, an interest in RJ Oil and Gas and dividend payments.

10. JM and MM agreed to invest in RJ Oil and Gas. On September 29, 2010, JM and MM wired $15,000 to a bank account for the benefit of RJ Oil and Gas Co. LLC, a limited-liability company based in Texas.

11. JM and MM received one $2,000 dividend for their investment, but received no other funds from RJ Oil and Gas Co.

Customer DG

12. During the relevant time period, Claus solicited DG to invest in RJ Oil and Gas.

13. Although Claus recommended that DG invest $18,000 in RJ Oil and Gas, DG agreed only to invest $9,000 and Claus claimed he would have another investor put in another $9,000.

14. DG never received any dividends or funds from his investment.

15. This was DG's first investment in any security.

16. The transactions by customers JM, MM and DG constituted securities transactions because they a) constituted participation in an oil or gas royalty or lease and/or b) were investment contracts because the customers invested their money in what they understood to be a common enterprise and expected profits solely from the efforts of a third party.

17. Transamerica did not offer, nor authorize Claus to solicit or sell investments in RJ Oil and Gas.

18. Moreover, Claus did not notify Transamerica that he intended to participate in selling the foregoing outside investment, nor that he had done so.

19. Claus did not seek approval for nor receive permission from Transamerica to participate in any manner in any private securities transaction.

20. By virtue of the foregoing conduct, Claus violated NASD Rule 3040 and FINRA Rule 2010.

SECOND CAUSE OF ACTION
MISREPRESENTATIONS OF MATERIAL FACT IN CUSTOMER SOLICITATION
FINRA RULE 2010

21. The Department realleges and incorporates by reference paragraphs 1 through 20 above.

22. Customer JB had an account with Transamerica for which Claus served as the registered representative.

23. On July 18, 2012, Claus solicited JB to invest in Southern Hospitality, which he represented to be a restaurant chain. He described it in an email as "a very good opportunity."

24. On July 25, 2012, Claus told JB in an email concerning the proposed investment in Southern Hospitality that, "You would be guaranteed to get a 5% return. Your investment PLUS 5%, OR you can convert to stock at any time."

25. In an email to JB dated July 18, 2012, Claus claimed: "There is a 5% note to back up the investment. Therefore, if everything falls apart and the stock isn't worth anything, you are guaranteed 5%." This was false. There was no 5% guarantee for these unsecured notes.

26. In that same email, Claus claimed: "It is a restaurant chain owned by Justin Timberlake and Ryan Tedder. (Both very big music celebrities) …." This was false. Justin Timberlake and Ryan Tedder did not own the chain.

27. In that same email, Claus claimed: "I am investing some of my personal money, and I don't do that very often." This was false. Claus never invested any of his own money in Southern Hospitality.

28. The statements described in paragraphs 23 to 27 were thus false and misleading. Claus knew or was reckless in not knowing that they were false or misleading in making them.

29. Transamerica did not offer nor authorize Claus to solicit or sell investments in Southern Hospitality.

30. By virtue of the foregoing conduct, Claus violated FINRA Rule 2010.

THIRD CAUSE OF ACTION
CIRCUMVENTING HIS FIRM'S SUPERVISORY SYSTEM BY USING AN UNAPPROVED OUTSIDE E-MAIL ADDRESS
(FINRA RULE 2010)

31. The Department realleges and incorporates by reference paragraphs 1 through 30 above.

32. Throughout the relevant time period, Transamerica prohibited the use of outside e-mail by its registered representatives when conducting securities business. This prohibition was contained in the firm's written procedures.

33. Transamerica provided the e-mail address Bradley.Claus@tfaconnect.com to Claus for his use when conducting securities business.

34. Despite the firm's prohibition, while Claus was an employee of Transamerica Financial Advisors, Inc., Claus used the e-mail wfgbrad@gmail.com on multiple occasions to conduct securities business. Claus improperly used the firm's name, firm address and firm phone number in e-mails from his outside e-mail account

35. Claus never notified the firm of this e-mail account. By failing to notify the firm of the account, Claus prevented his firm from supervising his communications with the public from that e-mail account.

36. By virtue of the foregoing conduct, Claus circumvented his firm's supervisory system in violation of FINRA Rule 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

A. make findings of fact and conclusions of law that Respondent(s) committed the violations charged and alleged herein;

B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed;

C. order that Respondent(s) bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330;

FINRA DEPARTMENT OF ENFORCEMENT

Date: October 8, 2014

Lane Thurgood
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FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement, Complainant, v. Bradley Claus, CRD No. 5127951 Respondent.	Disciplinary Proceeding No. 2012033520801 Hearing Officer Sonnenberg CERTIFICATE OF SERVICE Date: October 8, 2014

I hereby certify that on this 8th day of October, 2014, I caused a copy of the foregoing **Amended Complaint** and **Notice of Amended Complaint** to be sent by first class certified mail and first class mail to:

Bradley Claus
3799 Licorice Trail
Castle Rock, Colorado 80109

Lane Thurgood