

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011025610501**

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

RE: Braymen, Lambert and Noel Securities, Ltd., Respondent
Member Firm
CRD No. 124902

Shannon Braymen, Respondent
General Securities Principal
CRD No. 2099783

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Braymen, Lambert and Noel Securities, Ltd. ("BLNS") and Shannon Braymen ("Braymen") (collectively, Respondents) 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. Respondents 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

BLNS is currently, and was during all times relevant hereto, a member of FINRA and registered as a broker/dealer with the U.S. Securities and Exchange Commission. The firm registered with FINRA in March 2003, as a full-service broker-dealer. BLNS currently employs approximately 24 registered representatives and operates 4 branch offices. The firm is authorized to conduct business in corporate debt securities, over-the-counter equity securities, US government securities, mutual funds, options, private placements and variable contracts. BLNS is also authorized to underwrite corporate securities, proprietary trading and investment advisory services.

Braymen entered the securities industry in February 1995, when she associated

with a FINRA member firm. Braymen registered with FINRA in April 1995 as a General Securities Representative. She subsequently associated with two other member firms, including BLNS from December 2002 through the present. During all times relevant to this matter, Braymen served as BLNS' Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Compliance Officer ("CCO"). During her career in the securities industry Braymen has obtained Series 7, 24, 27, 53, 55, 63 and 66 licenses. Braymen had supervisory responsibility for each of the supervisory areas discussed herein.

RELEVANT DISCIPLINARY HISTORY

Neither BLNS nor Braymen has any prior formal disciplinary history.

OVERVIEW

From April 2007 to November 2011 (the "Relevant Period"), BLNS, acting through Braymen, failed to supervise its private placement securities business and the activities of registered representatives located in two of its offices, and also failed to register those two branch office locations. In addition, BLNS, acting through Braymen, failed to conduct and/or to adequately document branch office inspections, and had inadequate supervisory systems and written supervisory procedures ("WSP") regarding scheduling inspections of non-branch office locations. Finally, BLNS, acting through Braymen, failed to capture, review and retain certain email correspondence and failed to enforce its WSPs regarding documenting reviews of other email correspondence.

FACTS AND VIOLATIVE CONDUCT

1. Failure to Supervise: Private Placement Securities Business and Activities of Certain Registered Representatives

NASD Rule 3010(a) requires members to establish and maintain a system to supervise the activities of each registered representative, registered principal, and other associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable NASD and FINRA Rules. Final responsibility for proper supervision shall rest with the member.

NASD Rule 3010(b)(1) requires a member to establish, maintain, and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of registered representatives, registered principals, and other associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with the applicable NASD and FINRA Rules.

a) Failure to Supervise Private Placement Securities Business

During the Relevant Period, BLNS, acting through two registered representatives located in an unregistered branch office in San Antonio, Texas ("San Antonio Office"), participated in nine private placement offerings. BLNS, acting through Braymen, failed to adequately supervise the firm's participation in the offerings. Specifically, the firm had no documentation of principal review and approval of any of the offering documents for the nine offerings, no documentation that a principal of the firm had conducted due diligence on any of the offerings, and no documentation of principal review and approval of customer subscription documents that was required to determine the suitability of the investments for customers. Furthermore, although BLNS is the registered entity, the firm permitted the San Antonio Office, a non-registered entity, to enter into selling agreements with each of the nine issuers of the private placement offerings. BLNS was not a party to any of the selling agreements. In fact, BLNS was not even listed as the selling agent in the offering documents for six of the nine offerings. Instead, the San Antonio Office was listed as the selling agent. BLNS and Braymen also permitted the commissions earned on sales of the offerings to be paid directly from the issuers to the San Antonio Office, which in turn paid a portion of the commissions to BLNS.

b) Failure to Supervise Activities of Certain Registered Representatives

During the Relevant Period, BLNS, acting through Braymen, failed to supervise the activities of registered representatives located in the San Antonio Office and in an unregistered branch office in Austin, Texas ("Austin Office"). As discussed above, the representatives in the San Antonio Office conducted BLNS' private placement securities business independent of any meaningful supervision by BLNS and Braymen. The firm employed a similar approach to its supervision of the activities of representatives in its Austin Office. The Austin Office representatives facilitated mutual fund investments by the customers of a commercial bank branch with which the representatives were associated. Although BLNS was the broker-dealer of record, and the Austin Office representatives were the representatives of record, BLNS and Braymen did not supervise these mutual fund transactions. Specifically, BLNS and Braymen: (1) did not know how the Austin Office representatives got their sales leads to the bank customers; (2) did not know if the Austin Office representatives met with the bank customers in the Austin Office; (3) did not perform suitability reviews to ensure that the mutual fund transactions were suitable for the bank customers; (4) did not know the identity of the bank customers on the mutual fund transactions; and (5) did not know how the Austin Office representatives were compensated for their services.

As a result of the foregoing conduct, BLNS and Braymen violated NASD Rule 3010(a), NASD Rule 2110 (for conduct on or before December 14, 2008) and FINRA Rule 2010 (for conduct on or after December 15, 2008).

2. Failure to Register Branch Offices

IM-1000-4 requires member firms to register those offices that are deemed to be branches in accordance with the standards set forth in NASD Rule 3010. NASD Rule 3010(g)(2)(A) defines a branch office as “any location where one or more associated persons of a member regularly conducts the business of effecting any transactions in, or inducing or attempting to induce the purchase or sale of, any security, or that is held out as such.”

During the Relevant Period, BLNS, acting through Braymen, failed to register its San Antonio and Austin branch offices. The San Antonio Office became an unregistered BLNS office in December 2006, when the two representatives in that office associated with BLNS and began conducting BLNS’ private placement securities business from their office. In March 2008, BLNS added the Austin Office from which three registered representatives conducted a securities business. Neither office was registered as a BLNS branch office until December 2011, after FINRA staff brought the issue to the firm’s attention.

As a result of the foregoing conduct, BLNS and Braymen violated IM-1000-4, NASD Rule 3010, NASD Rule 2110 (for conduct on or before December 14, 2008), and FINRA Rule 2010 (for conduct on or after December 15, 2008).

3. Failure to Conduct Branch Office Inspections

NASD Rule 3010(c)(1)(B) requires each member to inspect every non-supervising branch office at least every three years. NASD Rule 3010(c)(1)(C) requires member firms to inspect non-branch offices on a regular periodic schedule. Member are required to set forth inspection cycles for non-supervising branch offices and the periodic inspection schedule for non-branch office inspections in its WSPs and inspection procedures. NASD Rule 3010(c) also requires members to retain a written record of the dates upon which each review and inspection is conducted and to reduce all inspections to a written report. The inspection reports must be kept on file by the member for a minimum of three years and include, without limitation, the testing and verification of the member's policies and procedures, including supervisory policies and procedures in the following areas: (1) safeguarding of customer funds and securities; (2) maintaining books and records; (3) supervision of customer accounts serviced by branch office managers; (4) transmittal of funds between customers and registered representatives and between customers and third parties; (5) validation of customer address changes; and (6) validation of changes in customer account information.

During the Relevant Period, BLNS, acting through Braymen, failed to conduct and/or to adequately document inspections of several BLNS branch offices. Specifically, BLNS inspected five BLNS branch offices, but failed to document the inspections in compliance with the requirements of NASD Rule 3010(c) in

that the firm's documentation failed to document the testing and verification of BLNS' policies and procedures, including supervisory policies and procedures in five of the six areas specified by NASD Rule 3010(c).

In addition, BLNS never inspected the San Antonio Office (during the period from 2006 to 2011) or the Austin office (during the period from 2008 to 2011).

Finally, BLNS and Braymen failed to maintain a schedule for compliance inspections of its non-branch offices as required by NASD Rule 3010(c), and had inadequate supervisory systems and written supervisory procedures regarding scheduling such inspections.

As a result of the foregoing conduct, BLNS and Braymen violated NASD Rule 3010(a), (b) and (c), NASD Rule 2110 (for conduct on or before December 14, 2008) and FINRA Rule 2010 (for conduct on or after December 15, 2008).

4. Failure to Capture, Review and Retain Electronic Correspondence

NASD Rule 3110(a)(which was in effect during the time period relevant to this matter) requires member firms to preserve records, including correspondence, in conformity with all applicable laws, rules and regulations including Exchange Act Rules 17a-3 and 17a-4. Exchange Act Rule 17a-4(b)(4) requires member firms to maintain and preserve, for a period of not less than three years, originals of all correspondence sent and received relating to the member's securities business.

NASD Rule 3010(d)(3) requires each member to retain correspondence of registered representatives relating to its investment banking or securities business in accordance with Rule 3110. NASD Rule 3010(d)(2) requires member firms to review associated persons' correspondence to ensure compliance with the firms WSPs, as well as FINRA and SEC Rules. NASD Rule 3010(d)(1) mandates that a record evidencing the review must be maintained.

During the period from April 2007 to November 2011, BLNS, acting through Braymen, failed to establish and implement an adequate supervisory system for the review and retention of the firm's email correspondence. Specifically, the firm failed to maintain any records to evidence supervisory reviews of email correspondence of several registered representatives who had BLNS-sponsored email accounts in contravention of the requirements of the firm's WSPs. Additionally, BLNS failed to capture, review or retain the email correspondence of the San Antonio and Austin Office registered representatives, who all utilized third-party email accounts.

As a result of the foregoing conduct, BLNS and Braymen violated NASD Rule 3010, NASD Rule 3110, NASD Rule 2110 (for activity occurring on or before December 14, 2008), and FINRA Rule 2010 (for activity occurring on or after December 15, 2008). In addition, BLNS violated SEC Rule 17a-4, and Braymen violated NASD Rule 2110 (for activity occurring before December 15, 2008), and

FINRA Rule 2010 (for activity occurring on or after December 15, 2008) by causing BLNS to violate SEC Rule 17a-4.

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

BLNS is censured and fined \$70,000.

Braymen is fined \$20,000 and suspended from association with any FINRA member firm in any principal capacity for one month.

Respondents agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Respondents have submitted Election of Payment forms showing the method by which they each propose to pay the fines imposed.

Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Respondent Braymen understands that if she is barred or suspended from associating with any FINRA member in a principal capacity, she becomes 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, she may not be associated with any FINRA member in a principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because she is subject to a statutory disqualification during the one-month suspension, if she remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against them;
- 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, Respondents 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.

Respondents 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

Respondents understand that:

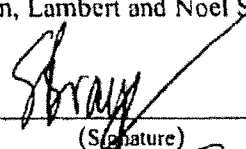
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (“ODA”), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondents; and
- C. If accepted:
 - 1. this AWC will become part of Respondents’ permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondents;
 - 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. Respondents 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. Respondents 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 Respondents: (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. Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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.

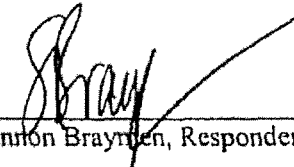
The undersigned, on behalf of BLNS, certifies that a person duly authorized to act on the firm's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that BLNS has agreed to its provisions voluntarily; and that no offer, threat, 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 BLNS to submit it.

8/25/15
Date

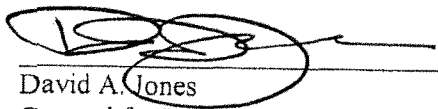
Braymen, Lambert and Noel Securities, Ltd.
By: 
(Signature)
Name: Shannon Braymen
(Print Name)
Title: CFO / CCO

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.

8/25/15
Date


Shannon Braymen, Respondent

Reviewed by:



David A. Jones
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Accepted by FINRA:

8/26/2015
Date

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



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