

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020065906301**

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

RE: Hung Brandon Ly (Respondent)
Former General Securities Representative
CRD No. 5500875

Pursuant to FINRA Rule 9216, Respondent Hung Brandon Ly submits 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 Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Ly first became registered with FINRA in 2008 and thereafter was associated with several different FINRA members, including Wells Fargo Clearing Services, LLC (Wells Fargo). In October 2014, Ly became registered with FINRA as a General Securities Representative through a second association with Wells Fargo. On September 26, 2019, Wells Fargo filed a Form U5 terminating Ly's registration because he was "not presently working in a registered capacity."¹

Although Ly is not currently associated with a FINRA member, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of FINRA's By-Laws.

OVERVIEW

In April and May 2021, Ly failed to provide information and documents and to appear for testimony requested pursuant to FINRA Rule 8210, in violation of FINRA Rules 8210 and 2010.

¹ For more information about the respondent, visit BrokerCheck® at www.finra.org/brokercheck.

FACTS AND VIOLATIVE CONDUCT

FINRA initiated an investigation following Wells Fargo's filing of a Rule 4530 disclosure concerning Ly's termination.

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA may require a person subject to its jurisdiction "to provide information orally, in writing, or electronically . . . and to testify at a location specified by FINRA staff . . . with respect to any matter involved in [an] investigation." FINRA Rule 8210(c) further states that no person "shall fail to provide information or testimony . . . pursuant to this Rule." A violation of FINRA Rule 8210 is also a violation of FINRA Rule 2010, which requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade."

In connection with its investigation, on November 20, 2020 and March 1, 2021, FINRA sent Rule 8210 requests to Ly seeking documents and information. Ly made a partial production responsive to the requests in March 2021. On April 6, 2021 FINRA sent a Rule 8210 request seeking the outstanding information to be produced no later than April 20, 2021. Ly failed to produce the outstanding information by the due date.

Additionally, on April 12, 2021, FINRA sent a Rule 8210 request for Ly's on-the-record testimony to be held on April 29 and 30, 2021. After Ly failed to appear, on May 3, 2021, FINRA sent a second request for testimony to be held on May 13 and 14, 2021. Again, Ly failed to appear for testimony requested by the staff pursuant to FINRA Rule 8210.

Therefore, Respondent violated FINRA Rules 8210 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a bar from associating with any FINRA member in all capacities.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he 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, he 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 in this AWC shall be effective on a date set by FINRA. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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 its acceptance or rejection.

Respondent further specifically and voluntarily waives 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


Respondent understands 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 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 its subject matter in accordance with FINRA Rule 8313; and
4. Respondent 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. Respondent 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 Respondent's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

06/09/2021
Date


Hung Brandon Ly
Respondent

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Reviewed by:



Thomas Brown
Counsel for Respondent
Brown White & Osborn LLP
333 S. Hope St., 40th Floor
Los Angeles, CA 90071

Accepted by FINRA:

06.22.21

Date

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



Alessandra Crawford
Counsel
FINRA
Department of Enforcement
200 Liberty St., 11th Floor
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