

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014039096101**

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

RE: PTX Securities, LLC, Respondent
Member Firm
CRD No. 7735

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, Respondent PTX Securities, LLC 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 Respondent alleging violations based on the same factual findings described herein.

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

PTX Securities, LLC (FKA Balanced Financial Securities Corporation and Balanced Financial Securities LLC) (“PTX” or the “Firm”) is a registered broker-dealer and has been a FINRA member since December 1978. Since 2013, PTX has been a managing member wholesaler for private placement offerings. PTX employs approximately 12 registered representatives out of one office location in Plano, Texas.

RELEVANT DISCIPLINARY HISTORY

Respondent PTX has no relevant disciplinary history.

OVERVIEW

In 2013 and 2014, PTX failed to conduct adequate due diligence on two oil and gas private placement offerings. As a result of the foregoing, Respondent PTX violated NASD Rule 3010(b) and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

NASD Rule 3010(b) requires each member firm 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 principles, and other associated persons that are reasonably designed to achieve compliance” with FINRA Rules. Among other things, Rule 3010(b) requires each member firm to establish and maintain written supervisory procedures to ensure compliance with NASD Rule 2310 and FINRA Rule 2111, which address each member firm’s obligations to ensure that securities solicited and sold by the firm are suitable for customers. As noted in FINRA Regulatory Notice 10-22, a firm’s suitability obligations require a broker-dealer to conduct a reasonable investigation of the issuer and the securities it recommends in private placements.

From April 2013 through June 2014, PTX derived the majority of its revenue from its role as a managing wholesaler broker dealer for four oil and gas private placements for Issuer #1. PTX, however, failed to conduct adequate due diligence for two offerings of Issuer #1 that were approved in October 2013 and January 2014 respectively. Specifically, PTX failed to conduct adequate due diligence into, among other things, the potential impact of an adverse money judgment against Issuer #1.

As a result, PTX violated NASD Rule 3010(b) and FINRA Rule 2010.

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

- A Censure; and
- A fine in the amount of \$20,000.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed. Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

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 it;
- 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 acceptance or rejection of this AWC.

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 me; and
- C. If accepted:
 - 1. this AWC will become part of Respondent’s permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 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. 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 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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it 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 the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that the undersigned 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 the Firm to submit it.

4-14-16
Date

PTX Securities, LLC

By: _____

Terry Harvey
(Signature)

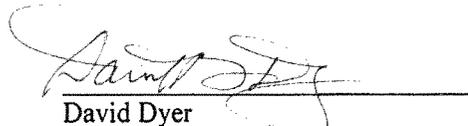
Name: _____

Terry Harvey
(Print Name)

Title: _____

President

Reviewed by:



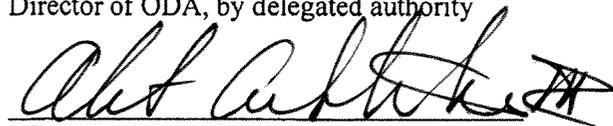
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david.dyer@solidcounsel.com

4-15-2014
Date

Accepted by FINRA:

4/21/14
Date

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



Albert A. Starkus III
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