

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Rel. No. 64557 / May 27, 2011

Admin. Proc. File Nos. 3-14307 and 3-14308

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In the Matter of the Application of  
  
WORLD TRADE FINANCIAL CORP.,  
JASON TROY ADAMS, FRANK EDWARD  
BRICKELL, and RODNEY PRESTON MICHEL  
  
For Review of Disciplinary Action Taken by FINRA

ORDER  
DENYING  
CONSOLIDATION

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In the Matter of the Application of  
  
MIDAS SECURITIES, LLC, and  
JAY S. LEE  
  
For Review of Disciplinary Action Taken by FINRA

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On March 3, 2011, the Financial Industry Regulatory Authority ("FINRA") issued a decision in a disciplinary action that involved Applicants in the above-captioned matters.<sup>1</sup> FINRA's decision found that FINRA member firms World Trade Financial Corp. ("World Trade") and Midas Securities, LLC ("Midas Securities"), and Frank Edward Brickell, an associated person of World Trade, sold unregistered shares of iStorage Networks, Inc. ("iStorage"), stock in violation of Section 5 of the Securities Act of 1933 and NASD Rule 2110.

In connection with these violations, FINRA found that World Trade and its principals Rodney Preston Michel and Jason Troy Adams violated NASD Rules 3010 and 2110 by failing to maintain adequate written supervisory procedures and failing to supervise the registered representatives who were participating in the unregistered securities sales. FINRA also found that Midas Securities and its principal Jay S. Lee committed similar supervisory violations. It

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<sup>1</sup> *Dep't of Enforcement v. Midas Sec., LLC, World Trade Fin. Corp., Jason Troy Adams, Frank Edward Brickell, Jay S. Lee, and Rodney Preston Michel*, Complaint No. 2005000075703 (FINRA NAC decision Mar. 3, 2011), 2011 WL 786035.

fined World Trade \$45,000, Midas Securities \$80,000, Brickell \$15,000, Michel \$30,000, Adams \$20,000, and Lee \$50,000 and suspended Brickell, Adams, and Lee for their misconduct.

On March 24, 2011, World Trade, Brickell, Michel, and Adams (the "World Trade Applicants") and Midas Securities and Lee (the "Midas Securities Applicants") filed separate petitions for review of FINRA's decision, and the Commission's Office of the Secretary designated the two proceedings as separate appeals. On April 15, 2011, FINRA filed a motion to consolidate the two proceedings, arguing that, with limited exception, the separate petitions for review "contain nearly identical challenges to FINRA's findings of fact, conclusions of law, and sanctions imposed in the March 3 Decision."

On April 28, 2011, the World Trade Applicants and the Midas Securities Applicants filed oppositions to FINRA's motion, claiming, among other things, that the two firms "are wholly unrelated," "were not working together, [and] were not involved in the same transactions," and that the only commonality between them is that they both have been charged by FINRA with the unregistered sale of the same security. Applicants assert that "each firm has a different set of circumstances" with respect to the sanctions imposed and that they "will be prejudiced" if the matters are consolidated.

Commission Rule of Practice 201(a) provides that we may order consolidation of proceedings "involving a common question of law or fact."<sup>2</sup> Our initial examination of FINRA's decision suggests that, although FINRA alleges similar violations with respect to the sale of iStorage shares, each of the individual allegations is based on distinct facts that are specific to each firm.<sup>3</sup> There is no claim of any relationship between the firms or that the firms acted in concert in connection with the alleged sales. Moreover, the facts and issues relating to the supervisory allegations differ with each firm and associated person involved. Under the circumstances, we do not believe our review of FINRA's disciplinary action will benefit from consolidation of the proceedings.

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<sup>2</sup> 17 C.F.R. § 201.201(a).

<sup>3</sup> See *Frank J. Custable, Jr.*, Order Denying Consolidation, Admin. Proc. File Nos. 3-7742 and 3-7899 (Jan. 7, 1993) (denying consolidation of proceedings, despite involving the same individual and "similar violations," because, among other reasons, of the "distinct facts" underlying the allegations).

Accordingly, it is ORDERED that the request of FINRA for consolidation of the above-titled proceedings be, and it hereby is, denied.

By the Commission.

Elizabeth M. Murphy  
Secretary