

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2005002244302**

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

RE: Traci A. Thomason
Respondent
CRD No: 4433725

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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. I 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

Traci A. Thomason first became registered as a General Securities Representative (Series 7) with FINRA (formerly known as NASD or the National Association of Securities Dealers) in September 2001. Thomason has been associated with a member firm (the "Member Firm" or "Firm") from March 2001 through the present. Thomason has no prior disciplinary history.

OVERVIEW

Between January 2004 and August 2008 (the "relevant period"), Thomason violated NASD Rule 2110 by routinely filling out signed but otherwise blank required transaction documents, including replacement authorization forms and other disclosure documents, without the client reviewing them.

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FACTS AND VIOLATIVE CONDUCT

Thomason Completed Signed But Otherwise Blank Transaction Forms

During the relevant period, Thomason was a sales assistant for at least three registered representatives at the Member Firm. These registered representatives entered into transactions involving, among other products, unit investment trusts, real estate investment trusts, variable annuities, and mutual funds.

In connection with these transactions, the Member Firm required that registered representatives complete various disclosure and authorization forms. The replacement authorization form was one such required document, which, when completed, disclosed in writing to the customer material information about the transaction, including surrender charges paid on the original investment, sales charges and surrender charges associated with the new investment, and rationale for purchasing the product. The Firm explicitly required brokers to obtain the customers' signature on the replacement authorization form and other transaction documents after they were completed to evidence that the customer was aware of the disclosures in those documents.

One of Thomason's registered representatives had his clients sign blank transaction documents in the overwhelming majority of his transactions, while the two other registered representatives who Thomason assisted did the same in a small percentage of their respective transactions. The registered representatives would provide the blank signed documents to Thomason; Thomason would complete them without the clients' knowledge or participation and provide them to the firm for review and approval. These customers, therefore, did not receive the complete written disclosure of material terms of the transactions before they entered into them, including surrender charges paid, sales charges incurred on the new investment, and optional riders selected on variable annuities. During the relevant period, Thomason completed hundreds of disclosure documents and authorization forms that had been signed by the customer and provided to her by one of the three registered representatives.

By completing signed but otherwise blank transaction documents, Thomason violated NASD Rule 2110.

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

A bar from association with any member of FINRA in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is described in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I 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 herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, 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.

I 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

I 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 me; and
- C. If accepted:
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 4. I 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. I 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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.

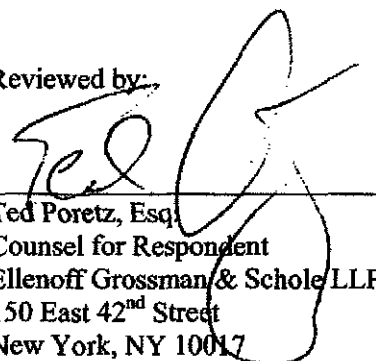
7/24/09

Date

Traci A. Thomason

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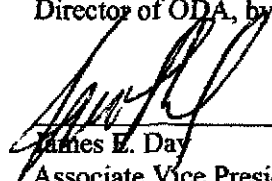
Reviewed by:


Ted Poretz, Esq.
Counsel for Respondent
Ellenoff Grossman & Schole LLP
150 East 42nd Street
New York, NY 10017
212.370.1300

Accepted by FINRA:

10/3/07
Date

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



James E. Day
Associate Vice President and Chief Counsel
FINRA Department of Enforcement
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