

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20060037540-01**

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REGISTRATION & DISCLOSURE

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

RE: Global Crown Capital, LLC, Respondent
CRD No. 16761

██████████ Financial and Operations Principal
CRD No. ██████████

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Global Crown Capital, LLC (GCC) and ██████████ (together, 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 Respondents 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

GCC, formerly known as TJM Securities, Inc., has been a member of FINRA (formerly known as National Association of Securities Dealers, Inc. or NASD) since October 1985. The firm's name and ownership changed in or around May 2002 and its main office moved to San Francisco, CA in or around September 2002. GCC conducts a general securities business and has both retail and institutional clients. The firm also employs research analysts and publishes research. There are 21 individuals registered with the firm. GCC has not previously been the subject of disciplinary action.

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■■■■ first entered the securities business in 1980. He became associated with GCC in April 2002 as a general securities representative, general securities principal, options principal and financial and operations principal. ■■■■ was GCC's financial and operations principal during the period from May 1, 2006, through August 31, 2006, the period relevant to this AWC. He is no longer registered with GCC, but is currently associated with another FINRA member as a general securities representative, general securities principal, options principal and financial and operations principal. ■■■■ has not previously been the subject of disciplinary action.

OVERVIEW

This AWC results from the 2006 routine examination of GCC during which the staff reviewed, *inter alia*, the firm's compliance with applicable financial and operational rules, the research analyst rules and the FINRA By-law requirements to maintain current and accurate applications for registration and membership with FINRA. The AWC makes findings of violation in each of these areas.

FACTS AND VIOLATIVE CONDUCT

1. On June 30, 2006, Respondent GCC conducted a securities business, utilizing the means and instrumentalities of interstate commerce, while failing to maintain the minimum net capital required by Exchange Act Rule 15c3-1. Respondent ■■■■ was the firm's financial and operations principal on that date. The net capital violation resulted from the failure to accrue certain payables and the characterization of non-allowable receivables as an allowable asset. Conducting a securities business while failing to maintain the minimum required net capital constituted a violation of Exchange Act Rule 15c3-1 and a violation of NASD Conduct Rule 2110 by Respondent GCC. Permitting GCC to conduct a securities business while failing to maintain the minimum required net capital constituted a violation of NASD Conduct Rule 2110 by Respondent ■■■■
2. During the period from January 1, 2005, until June 30, 2006, GCC did not adopt and implement written supervisory procedures reasonably designed to achieve compliance with NASD Conduct Rule 2711 as it pertains to personal trading by research analysts, accurately identifying research publications as reports subject to that Rule, disclosures in research reports and the qualifications of persons who supervised research analysts and the preparation of research reports. This constituted violations of Conduct Rules 2711(i) and 2110 by Respondent GCC.

3. From May 2003 until October 2006, the Form BD of record for GCC contained a material inaccuracy, in that it represented that a family trust established by a principal of the firm was an owner of the firm when the trust had no ownership interest. Maintaining an inaccurate Form BD constituted violations of Article IV, Section 1(c) of the FINRA By-laws and NASD Conduct Rule 2110 by Respondent GCC.

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

Respondent GCC shall be censured and fined in the amount of \$20,000.00, of which \$2,500.00 shall be joint and several with Respondent [REDACTED] Respondent [REDACTED] shall be fined in the amount of \$2,500.00 jointly and severally with Respondent GCC.

Respondents agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. Respondents have submitted Election of Payment forms showing the method by which they propose to pay the fine imposed.

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

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 Formal Complaint issued specifying the allegations against them;
- B. To be notified of the Formal 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 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.

Respondents further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD 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 NASD 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 their permanent disciplinary records and may be considered in any future actions brought by FINRA or any other regulator against them;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about their disciplinary records;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. They 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. They 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 their rights 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. They 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.

Respondents certify that they have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that they 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 them to submit it.

1/7/08

Date

Global Crown Capital, LLC, Respondent

By:

Alan K. Parkes managing partner
Name and title

1/7/08

Date

 Respondent

Reviewed by:

David B. Bayless
David B. Bayless, Counsel for Respondents
Covington & Burling, LLP
One Front Street
San Francisco, CA 94111

Accepted by FINRA:

February 29, 2008
Date

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


Jacqueline D. Whelan
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