

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006004122501**

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

RE: Terra Nova Financial, LLC (BD # 37761)
Cleovan E. Jordan, Former Registered Representative (CRD # 1216254)
Joshua D. Teuber (CRD # 2828475)
David P. Persenaire (CRD # 1895839)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Terra Nova Financial, LLC ("Terra Nova" or "the Firm"), Cleovan E. Jordan ("Jordan"), Joshua D. Teuber ("Teuber"), and David P. Persenaire ("Persenaire") (collectively "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

Terra Nova

Terra Nova is a full-service self-clearing agency broker-dealer and futures commission merchant. The Firm has been a FINRA member since 1995 and is based in Chicago, Illinois. It continues to operate soft dollar accounts. Terra Nova employs 45 registered personnel in three branch offices.

Jordan

Jordan was born in [REDACTED] and became registered with FINRA in 1989 as a Government Securities Representative (Series 72). In 1993, he was approved as a General

Securities Representative (Series 7). In January 2004, Jordan began working in Terra Nova's New York office as the Firm's soft dollar administrator. He left the Firm in August 2006. He subsequently worked at other broker-dealers until February 24, 2009 and currently is not employed in the securities industry.

Teuber

Teuber was born in [REDACTED] and first became registered with FINRA as a General Securities Representative (Series 7) in 1997. He joined the Chicago office of Terra Nova in 1998. He became a manager and a General Securities Principal (Series 24) of Terra Nova's Institutional Division in 2003. By January 2004, Teuber was supervising Terra Nova's Soft Dollar Group. He continued in that role until July 26, 2006, when he left the firm. Teuber also currently holds Series 55 and Series 63 licenses, and he is currently registered with another broker-dealer.

Persenaire

Persenaire was born in [REDACTED] and first became registered with FINRA as a General Securities Representative (Series 7) in 1988. He worked for Terra Nova in its Chicago office on two separate occasions. Between November 2004 and April 2006, Persenaire served as Compliance Director and managed the Firm's Compliance Department. He returned to the Firm as its Compliance Director in October 2007. After passing the Series 23 exam in December 2007, Persenaire was the Firm's Chief Compliance Officer until 2009. He currently holds Series 7, Series 8, Series 23 and Series 63 licenses.

RELEVANT DISCIPLINARY HISTORY

Terra Nova consented to findings by the State of New Jersey in *In re Terra Nova Financial LLC* (Consent Order, Jan. 12, 2009) that the Firm did not timely produce requested documents and failed to reasonably supervise a compliance officer who was responsible for responding to the State's requests. It agreed to pay a \$100,000 fine, improve its procedures and hire an independent consultant.

Jordan, Teuber and Persenaire have no relevant disciplinary history.

OVERVIEW

Money managers direct trades to different broker-dealers. When directing trades, the managers are permitted to take into account the services being offered by the brokers, and they sometimes allow brokers to charge a higher commission rate in exchange for providing "soft dollars" over and above the hard dollar expenses that cover the trade. The brokers set aside these funds in specific soft dollar accounts, and then use the funds to pay for a variety of goods and services that benefit the fund and its investors. Since soft dollars can be used to cover expenses that benefit the money managers, the managers must be careful to avoid a conflict of interest. Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor that protects investment advisers from

liability for breach of a fiduciary duty for paying higher commission rates or accepting other benefits or services from brokerage firms provided that the soft dollar assets pay for research-related or brokerage-related expenses. Advisers that use soft dollars to cover expenses outside the safe harbor must disclose that they intend to use the soft dollars to cover those expenses.

Because broker dealers are responsible for executing the trades that generate soft dollar commissions, collecting a portion of the trading commission in soft dollar accounts, and paying invoices from soft dollar accounts, they play a critical role in the soft dollar process and face potential liability for making improper payments. Therefore, a broker has a duty to inquire when faced with red flags that suggest a soft dollar payment may be improper.

In 2004, Terra Nova established a soft dollar business to encourage potential clients, including hedge funds, to trade through the Firm's electronic trading platform. Jordan was the Firm's soft dollar administrator and Teuber supervised the Firm's soft dollar operation. Terra Nova established soft dollar accounts for eight fund clients and credited a portion of the trading commissions to these accounts. From those accounts, Terra Nova then paid invoices for goods or services submitted by or on behalf of the fund managers.

Between 2004 and 2005, Terra Nova made numerous improper soft dollar payments totaling more than \$1 million on behalf of five of its clients. Terra Nova knew, or with reasonable inquiry would have known, that the payments at issue fell outside the Section 28(e) safe harbor and could only be made if they were disclosed in the funds' offering documents. While, as noted above, soft dollars can be used to cover payments for goods and services that are outside the scope of the safe harbor (i.e., expenses unrelated to research or brokerage), the payments at issue should not have been made because they were either (i) not authorized or clearly disclosed by the funds' offering documents or (ii) not supported by adequate documentation. Terra Nova knew, or with reasonable inquiry would have known, that the payments were inappropriate. By making these payments in these circumstances, Terra Nova enabled the actual or potential misuse of funds belonging to investors, thereby violating NASD Rule 2110. Jordan violated Rule 2110 for his role in the improper payments.

Terra Nova, through Teuber, failed to properly supervise its soft dollar program by ignoring red flags and, through Persenaire, who was responsible for drafting the Firm's soft dollar policies and procedures, failed to implement adequate supervisory procedures relating to soft dollar payments, in violation of NASD Rules 3010 and 2110. Furthermore, Terra Nova delayed and impeded the staff's investigation by failing to timely respond to requests for electronic communications and other information in violation of NASD Rules 8210 and 2110 and by failing to retain instant messages in violation of Section 17(a)(1) of the Exchange Act, Rule 17a-4(b)(4) thereunder and NASD Rules 3110 and 2110.

FACTS AND VIOLATIVE CONDUCT

1. Terra Nova Made Improper Soft Dollar Payments

In 2004, Terra Nova began to offer, establish and maintain soft dollar accounts as part of its effort to attract clients to trade through the Firm. It eventually opened soft dollar accounts for eight hedge fund clients. A portion of the commissions from each fund's trades was credited to that fund's soft dollar account. From the soft dollar accounts, Terra Nova paid invoices for goods or services submitted by third party providers or by fund managers

Between 2004 and 2005, despite the presence of red flags, Terra Nova made numerous soft dollar payments for five clients that were improper because (a) they were impermissible under fund operating or offering documents such as the Private Placement Memoranda ("PPMs"), Operating Agreements, or Articles of Organization (collectively, the "fund documents"); (b) Terra Nova did not receive written authorization from an independent person as required by certain of the fund documents; or (c) Terra Nova failed to obtain additional documentation or support or failed to make further inquiry to confirm that the payments being requested were in fact for authorized expenses. In making these payments, Terra Nova violated NASD Rule 2110.

Jordan helped establish Terra Nova's soft dollar program. As the soft dollar administrator for Terra Nova, he managed the relationships with the Firm's clients and opened up the soft dollar accounts. Because of the substantial role he played in the Firm's soft dollar operation and certain of the payments, Jordan violated NASD Rule 2110.

A. Terra Nova Made Soft Dollar Payments that Were Not Allowed Under the Fund Documents

One of Terra Nova's most significant soft dollar account clients, Client B, opened a soft dollar account with the Firm in January 2004. Prior to opening the account, Terra Nova employees gathered and reviewed the fund documents. Terra Nova made soft dollar payments for expenses totaling \$10,257 that were not allowed under Client B's fund documents and that did not benefit the fund's investors. Some of these payments were used to pay expenses of the fund manager, including costs for accounting expenses, estate planning fees and administrative staff.

B. Terra Nova Made Soft Dollar Payments That Were Not Allowed Without Written Authorization from an Independent Person

Offering documents for two funds, Client F and Client C, authorized soft dollar payments for certain services only if accompanied by an authorization letter from an independent party that certified that the payments were appropriate. Although it should have been aware of this requirement, Terra Nova made payments totaling \$14,668 to the

managers of these two funds without having the fund managers provide the Firm with the required third party authorization letters.

C. Terra Nova Made Soft Dollar Payments Without Sufficient Documentation or Adequate Review

Terra Nova made soft dollar payments without adequate documentation or inquiry. The Firm and its employees improperly relied upon the representations of the funds' managers that these payments were permissible.

- Between 2004 and 2005, Terra Nova made numerous payments totaling over \$470,000 from Client P's soft dollar account to the manager for Client P. For many of these payments, the Firm relied on the representations of the fund manager that "[t]his credit will be used for fund expenses in conjunction with our documents" without making any further inquiry. Terra Nova did not have a clear understanding as to what expenses were being paid or whether the fund documents permitted soft dollars to be used to cover those particular expenses, and it conducted inadequate due diligence to determine whether the payments were appropriate.
- Terra Nova paid \$389,000 in soft dollars on behalf of Client B's manager for "consulting fees related to research." The Firm should not have approved these payments when the invoices did not sufficiently identify who provided the research or what type of research was being provided. Terra Nova also paid \$65,000 for credit card expenses incurred by Client B's manager and employees, based upon monthly credit card statements, without obtaining the underlying receipts or other documentation to enable the Firm to sufficiently determine whether the payments, which were for items such as clothes, auto repairs, parking tickets and restaurants, were for business expenses, as opposed to personal expenses.
- The fund manager for Client S was permitted to use soft dollars to pay for "investor related entertainment and other expenses," "third party and travel-related research," and "clerical staff salaries and benefits." Terra Nova allowed the manager to use soft dollars for meals, limousines, airline tickets, hotel stays and other expenses without receiving adequate documentation demonstrating that the expenses were appropriate under the PPM. For example, one AMEX bill paid by Terra Nova included more than \$13,700 spent during seven visits to a "gentlemen's club" in a two week period, with no documentation indicating that the payments covered investor related entertainment. Terra Nova also made soft dollar payments totaling \$145,000 for salaries and benefits of non-clerical employees.

2. Terra Nova Failed to Adequately Supervise its Soft Dollar Program

Terra Nova approved each of the soft dollar payments at issue, without adequately addressing the red flags indicating the payments were not allowable. Teuber, as the supervisor of the Firm's soft dollar operation, was required to and did approve nearly all of the payments identified above. In certain instances, the Firm and Teuber failed to conduct sufficient due diligence to ascertain whether the payments fell within the Section 28(e) safe harbor or were properly disclosed in, or allowable under, the fund documents. Some invoices did not identify who was providing the service, did not provide sufficient detail to determine whether the payment was appropriate, or requested a payment to the fund manager directly.

Terra Nova and Teuber did not respond adequately to red flags. In private e-mails, Teuber expressed concerns about some of the payments and clients, including their creditworthiness, and about the overall business. Furthermore, shortly after establishing its soft dollar operation, Terra Nova learned that the SEC had sued the managers of one of its clients for using their investors' soft dollar assets at another institution to pay for personal expenses.

When determining whether to pay some of these invoices with funds from the soft dollar accounts, Terra Nova failed to follow its own policies, which required the Firm to obtain "all documentation" needed for due diligence, including "Private Placement Memorandum, Operating Agreement, Articles of Organization and other similar documents." Terra Nova had not received or reviewed these documents for some of its soft dollar clients.

Accordingly, for the reasons set forth above, Terra Nova and Teuber violated NASD Rules 3010(a) and 2110.

3. Terra Nova Had Inadequate Written Systems and Procedures to Supervise its Soft Dollar Operation

Terra Nova failed to have adequate systems and procedures in place to supervise its Soft Dollar Group. It had no formal written supervisory procedures ("WSPs") relating to its soft dollar operation. Although starting in April 2004 Terra Nova maintained informal operating procedures regarding soft dollars, the procedures failed to provide sufficient guidance regarding the Firm's soft dollar activity.

Persenaire was hired in November 2004 by Terra Nova to serve as its Compliance Director. He was delegated responsibility for ensuring that the Firm's WSPs were adequate. He also played a role as a back-up approver of payments in instances when Teuber was unavailable. Persenaire recognized soon after he was hired that the Firm's formal procedures did not address its soft dollar business and intended but failed to revise those procedures prior to his departure from the Firm in April 2006. After Persenaire left Terra Nova, the Firm commenced but did not complete efforts to revise

its soft dollar procedures. Persenaire rejoined the Firm on October 30, 2007, but failed to ensure that adequate procedures were implemented.

Accordingly, the Firm and Persenaire violated NASD Rules 3010(a) and 2110.

4. Terra Nova Failed to Timely Respond to FINRA's Requests for Production of Electronic Communications and Other Information

In August and November 2006, FINRA sent letters pursuant to NASD Rule 8210 requesting e-mails and instant messages ("IMs") of certain Terra Nova employees. The Firm produced some responsive e-mails in the Fall of 2006. When questioned about its e-mail retention practices and policies, in light of apparent gaps in its e-mail production, the Firm in subsequent responses to 8210 requests incorrectly stated that it had produced "all electronic communication *available*" [emphasis added]. In April and September 2008, Terra Nova produced thousands of additional e-mails and IMs responsive to the 2006 requests. Terra Nova's untimely production of e-mails and IMs delayed FINRA's investigation. Accordingly, Terra Nova violated NASD Rules 8210 and 2110.

5. Terra Nova Failed to Retain Instant Messages

From at least January 1, 2004 to August 22, 2005, Terra Nova failed to retain IMs. The Firm recognized that SEC and FINRA rules required IMs to be retained if they were related to the Firm's business. Terra Nova knew that some of the Firm's employees, including some members of the Soft Dollar Group, were using IMs for business purposes at a time when the Firm was not retaining them.

By failing to have any system in place for retaining IMs from at least January 1, 2004 to August 22, 2005, Terra Nova violated Section 17(a)(1) of the Exchange Act, Rule 17a-4(b)(4) thereunder, and NASD Rules 3110 and 2110.

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

1. Respondent Terra Nova consents to the imposition of the following sanctions:

- a. A censure; and
- b. A fine in the amount of \$400,000.
- c. In addition, Terra Nova shall comply with the following undertaking within the time periods specified (unless otherwise extended by FINRA staff):
 - (1) Terra Nova shall retain, within 60 days of the date of Notice of Acceptance of this AWC, an Independent Consultant, not unacceptable to FINRA staff, to conduct a comprehensive

review of the adequacy of the Firm's policies, systems and procedures (written and otherwise) and training relating to:

- (a) its overall supervisory system relating to its soft dollar services business; and
 - (b) its system for opening and maintaining soft dollar accounts, including its procedures relating to the monitoring, reviewing and approving of all payments made in the soft dollar accounts.
- (2) Terra Nova shall exclusively bear all costs, including compensation and expenses, associated with the retention of the Independent Consultant.
- (3) Terra Nova shall cooperate with the Independent Consultant in all respects, including by providing staff support. Terra Nova shall place no restrictions on the Independent Consultant's communications with FINRA staff and, upon request, shall make available to FINRA staff any and all communications between the Independent Consultant and the Firm and documents reviewed by the Independent Consultant in connection with his or her engagement. Once retained, Terra Nova shall not terminate the relationship with the Independent Consultant without the FINRA staff's written approval; Terra Nova shall not be in and shall not have an attorney-client relationship with the Independent Consultant and shall not seek to invoke the attorney-client privilege or other doctrine or privilege to prevent the Independent Consultant from transmitting any information, reports or documents to FINRA.
- (4) Terra Nova shall, at the conclusion of the review, which shall be no more than 150 days after the date of Notice of Acceptance of this AWC, require the Independent Consultant to submit to the Firm and FINRA staff a Written Report. The Written Report shall address, at a minimum:
- (a) the adequacy of Terra Nova's policies, systems, procedures and training relating to soft dollars;
 - (b) a description of the review performed and the conclusions reached; and
 - (c) the Independent Consultant's recommendations for modifications and additions to the Firm's soft dollar policies, systems, procedures and training.

- (5) Terra Nova shall require the Independent Consultant to enter into a written agreement that provides that, for the period of engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any other employment, consultant, attorney-client, auditing or other professional relationship with Terra Nova, or any of its present or former affiliates, officers, directors, employees, or agents acting in their capacity as such. Any firm with which the Independent Consultant is affiliated in performing his or her duties pursuant to this AWC shall not, without prior written consent of the FINRA staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Terra Nova or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.
- (6) Within 60 days after delivery of the Written Report, Terra Nova shall adopt and implement the recommendations of the Independent Consultant or, if it determines that a recommendation is unduly burdensome or impractical, propose an alternative procedure to the Independent Consultant designed to achieve the same objective. Terra Nova shall submit such proposed alternatives in writing simultaneously to the Independent Consultant and the FINRA staff. Within 30 days of receipt of any proposed alternative procedure, the Independent Consultant shall:
- (a) reasonably evaluate the alternative procedure and determine whether it will achieve the same objective as the Independent Consultant's original recommendation; and
 - (b) provide Terra Nova with a written decision reflecting his or her determination.
- (7) Terra Nova will abide by the Independent Consultant's ultimate determination with respect to any proposed alternative procedure and must adopt and implement all recommendations relating to its soft dollar program or practices deemed appropriate by the Independent Consultant.
- (8) Within 30 days after the issuance of the latter of the Independent Consultant's Written Report or written determination regarding alternative procedures (if any),

Terra Nova shall provide FINRA staff with a written implementation report, certified by an officer of Terra Nova, attesting to, containing documentation of, and setting forth the details of, the Firm's implementation of the Independent Consultant's recommendations relating to its soft dollar program or practices.

Upon written request showing good cause, the FINRA staff may extend any of the procedural dates set forth above.

Respondent Terra Nova agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent Terra Nova specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

2. Respondent Jordan consents to the imposition of the following sanctions:

- a. A suspension from associating in all capacities with any member firm for 30 days; and
- b. A fine in the amount of \$20,000.

The fine imposed on Respondent Jordan shall be due and payable either immediately upon reassociation with a member firm following the 30-day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. If Jordan opts to pay his \$20,000 fine upon reassociation, he will be permitted to pay through an installment payment plan requiring an initial payment of \$10,000 and then paying the remaining balance, plus interest, in equal installments over the twelve months immediately following his reassociation.

Respondent Jordan specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Respondent Jordan 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 Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. 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.)

3. Respondent Teuber consents to the imposition of the following sanctions:

- a. A suspension from acting in a supervisory or principal capacity with any member firm for 20 days; and
- b. A fine in the amount of \$15,000.

Respondent Teuber agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payment is due and payable. He has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Respondent Teuber specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

4. Respondent Persenaire consents to the imposition of the following sanctions:

- a. A suspension from acting in a supervisory or principal capacity with any member firm for 10 days; and
- b. A fine in the amount of \$10,000; and
- c. In addition, Persenaire shall comply with the following undertaking within the time periods specified (unless otherwise extended by FINRA staff):
 - (1) Persenaire shall use his best efforts to take and pass the Compliance Official Qualification Examination (Series 14) within 120 days of the Notice of Acceptance of this AWC.
 - (2) At the end of the 120 days referenced above, Persenaire shall provide written notice to the Staff certifying that he has complied with this undertaking.
 - (3) Upon written request showing good cause, including evidence demonstrating his good faith efforts to pass the Series 14, FINRA staff shall extend the deadlines set forth herein.
 - (4) Nothing contained herein shall be deemed to waive or modify Persenaire's registration obligations, apart

from this AWC, under the Rules of FINRA, NYSE or any other regulatory organization.

Respondent Persenaire agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. Persenaire has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed. Persenaire will be permitted to pay through an installment payment plan requiring an initial payment of \$2,500 and then pay the remaining balance of \$7,500, plus interest, in equal installments over twelve months.

Respondent Persenaire specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanctions 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 Complaint issued specifying the allegations against them;
- 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, 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 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

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 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 Respondents;
- C. If accepted:
 - 1. this AWC will become part of Respondents' 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 Respondents' disciplinary records;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Respondents 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. Respondents may not take any positions in any proceedings brought by or on behalf of FINRA, or to which FINRA is a party, that are inconsistent with any part of this AWC. Nothing in this provision affects Respondents' 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. Respondents 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.

The undersigned, who is a person duly authorized to act on behalf of Respondent Terra Nova, and Respondents Jordan, Teuber and Persenaire 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 each 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 Respondents to submit it.

10/20/09
Date

Terra Nova Financial, LLC

By: Michael Nolan
Name: Michael Nolan
Title: President

Date

By: _____
Cleovan E. Jordan

Date

By: _____
Joshua D. Teuber

Date

By: _____
David P. Persenaire

Reviewed by:

Jonathan S. Feld, Esq.
Counsel for Terra Nova Financial, LLC
Katten Muchin Rosenman LLP
525 W. Monroe Street
Chicago, IL 60661-3693

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Terra Nova Financial, LLC

Date

By: _____
Name:
Title:

10/19/09
Date

By: C. Jordan
Cleovan E. Jordan

Date

By: _____
Joshua D. Teuber

Date

By: _____
David P. Persenaire

Reviewed by:

Jonathan S. Feld, Esq.
Counsel for Terra Nova Financial, LLC
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Terra Nova Financial, LLC

Date

By: _____
Name:
Title:

Date

By: _____
Cleovan E. Jordan

10/20/09

Date

By: 

Joshua D. Teuber

Date

By: _____
David P. Persenaire

Reviewed by:

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Terra Nova Financial, LLC

Date

By: _____
Name:
Title:

Date

By: _____
Cleovan E. Jordan

Date

By: _____
Joshua D. Teuber

10/21/09
Date

By: David Persenaire
David P. Persenaire

Reviewed by:

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Terra Nova Financial, LLC

Date

By: _____
Name: _____
Title: _____

Date

By: _____
Cleovan E. Jordan

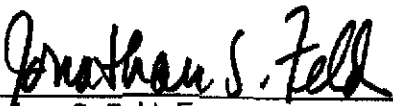
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By: _____
Joshua D. Teuber

Date

By: _____
David P. Persenaire

Reviewed by:


Jonathan S. Feld, Esq.
Counsel for Terra Nova Financial, LLC
Katten Muchin Rosenman LLP
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Phone: 312-902-5478



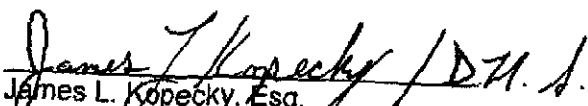
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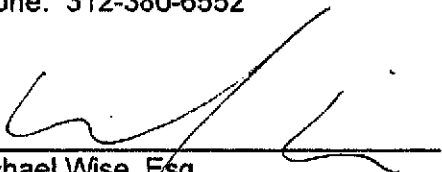

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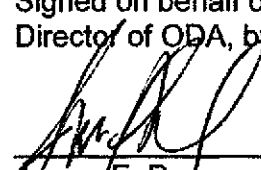


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Accepted by FINRA:

11/23/09
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Signed on behalf of the
Director of ODA, by delegated authority



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