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REGISTRATION & DISCLOSURE

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006004815601

TO: Department of Enforcement
NASD

RE: Curtis Fitzgerald Williams, Sr.
(CRD No. 2846731)

Pursuant to Rule 9216 of NASD Code of Procedure, Curtis Fitzgerald Williams, Sr. ("Williams") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against Williams alleging violations based on the same factual findings.

Williams understands that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Enforcement and National Adjudicatory Council ("NAC") Review Subcommittee, or Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
2. If this AWC is not accepted, his submission will not be used as evidence to prove any of the allegations against Williams; and
3. If accepted:
 - a. this AWC will become part of Williams' permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against Williams;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Williams' disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. Williams 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. Nothing in this provision affects Williams'

testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

Williams also understands that his experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Williams first became registered with NASD as a General Securities Representative in January 1998 through a member firm and he has been registered with NASD as a General Securities Representative through numerous member firms since that time. From February 4, 2004 through March 21, 2006, he was registered with NASD as a General Securities Representative and General Securities Principal through member firm GunnAllen Financial, Inc. (BD No. 17609) ("GunnAllen"). From March 21, 2006 through May 1, 2006, he was last registered with NASD through a member firm. Williams is no longer employed in the securities industry.

Williams does not have any relevant disciplinary history with NASD or any other self-regulatory organization, the U.S. Securities and Exchange Commission, or any state securities regulator.

I.

WAIVER OF PROCEDURAL RIGHTS

Williams specifically and voluntarily waives the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against him;
- 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Williams specifically and voluntarily waives 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.

Williams further specifically and voluntarily waives any right to claim that a person violated the *ex parte* prohibitions of Rule 9143 or the separation of functions prohibitions of 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.

II.

ACCEPTANCE AND CONSENT

- A. Williams 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 NASD, or to which NASD 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 NASD:

- (1) From February through March 2004, while registered with NASD as a General Securities Representative and General Securities Principal through member firm GunnAllen, Williams engaged in a pattern of trading activity in the account of GunnAllen customer RY that was excessive in light of the customer's objectives, financial situation and needs. Specifically, during that time period:
 - a. 35 transactions were conducted in RY's account resulting in over \$85,000 in commissions;
 - b. the average monthly equity in RY's account was \$327,639;
 - c. the annualized turnover rate in RY's account was 73; and
 - d. the annualized commission-to-equity ratio in RY's account was 156%.

By reason of the foregoing, Williams violated NASD Conduct Rules 2310 and 2110.

- (2) On May 1, 2006, May 16, 2006, and May 26, 2006, the Staff of NASD sent to Williams a request for information, pursuant to NASD Procedural Rule 8210, seeking his response to, among other things, the allegations made by RY regarding the excessive trading in his GunnAllen account. Despite acknowledging his receipt of the Staff's request for information in telephone communications with the Staff on May 23, 2006, and June 9, 2006, Williams failed to timely respond to the Staff's requests. Specifically, Williams did not respond to the Staff's requests until May 2007. By reason of the foregoing, Williams violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

B. Williams also consents to the imposition, at a maximum, of the following sanctions:

- A suspension from associating with any NASD member firm in any capacity for six months; and
- A fine in the amount of \$7,500.

The fine shall be due and payable either immediately upon re-association with a member firm following the six-month 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.

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

III.

OTHER MATTERS

- A. Respondent understands that he may attach a Corrective Action Statement to this AWC, which is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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 NASD, nor does it reflect the views of NASD or its staff.
- B. Respondent understands that if he is barred or suspended from association with any NASD 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 NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)
- C. Respondent agrees to pay any monetary sanctions imposed on him upon re-entry as noted above.
- D. Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

Williams certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce Williams to submit this AWC.

05/17/07

Date

Curtis F. Williams, Sr.

Curtis Fitzgerald Williams, Sr.

Accepted by NASD:

06/05/07

Date

Jon S. BattermanJon S. Batterman
Deputy Regional Chief Counsel
NASD-District 10
Department of EnforcementSigned on behalf of the Director of ODA, by
delegated authority**NASD Deputy District Director**Patricia Cappeto
NASD, District 10 (Long Island)
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Jericho, New York 11753