

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007007328301**

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REGISTRATION & DISCLOSURE

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

RE: Butler, Wick & Co., Inc.
(CRD No. 120)

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Butler, Wick & Co., Inc. ("Butler Wick" or "Respondent") submits 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 Butler Wick alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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 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

Butler Wick became a member of FINRA in October 1936 and registered with the Securities and Exchange Commission ("SEC") on September 1, 1983. Butler Wick engages in, among other things, activities involving retailing corporate equity securities over-the-counter, exchange commission business other than floor activities, mutual fund retailing, municipal securities broker-dealer activities and investment advisory services. Butler Wick's membership with FINRA and registration with the SEC remain currently in effect.

RELEVANT PRIOR DISCIPLINARY HISTORY

Butler Wick does not have any relevant prior disciplinary history.

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OVERVIEW

Butler Wick failed to file thirteen advance refunding documents and Forms G-36(ARD), in violation of MSRB Rule G-36(b)(ii). Additionally, Butler Wick failed to file timely the final official statement and Form G-36(OS) for one issue and filed thirteen Form G-36 (OS) inaccurately, in violation of MSRB Rule G-36(b)(i). Butler Wick also failed to list nine new issues for which it acted as an underwriter on the appropriate Form G-37/G38, in violation of MSRB Rule G-37(e)(i)(b). In addition, Butler Wick failed to file the Form G-37/G-38 for the second quarter of 2005 in a timely manner in that it was filed four days late, in violation of MSRB Rule G-37(e)(iii). Finally, Butler Wick failed to enforce its written supervisory procedures related to the submission of Forms G-36 and Forms G-37/G-38 to the MSRB, in violation of MSRB Rule G-27.

FACTS AND VIOLATIVE CONDUCT

1. During the period of April 1, 2005 through June 30, 2007, Butler Wick acted as an underwriter for an issue that advance refunded an outstanding issue of municipal securities and was required on thirteen occasions to file the advance refunding document and the Form G-36(ARD) with the MSRB in connection with those issues. On all thirteen occasions, Butler Wick failed to file the documents. After the staff brought this issue to Butler Wick's attention in October 2007, Butler Wick then made the thirteen filings, causing the filings to be between 108 – 579 days late.

During the same period, Butler Wick acted as an underwriter in primary offerings of municipal securities and was required on thirty-nine occasions to file a final official statement and a Form G-36(OS) with the MSRB in connection with those offerings. On thirteen occasions, Butler Wick failed to file the documents accurately in that it failed to indicate that the new issues were refunding deals. In addition, on one occasion, Butler Wick failed to file the documents on a timely basis in that the documents were filed two business days late.

Such acts, practices and conduct constitute separate and distinct violations of MSRB Rule G-36 by Butler Wick.

2. During the period from April 1, 2005 until June 30, 2007, Butler Wick was required to file by the last day of the month following the end of each calendar quarter a Form G-37/38 which set forth a list of issuers with which Butler Wick had engaged in municipal securities business during such calendar quarter. Although Butler Wick filed a Form G-37/38 with the MSRB for each quarter during this period, it failed to list nine new issues for which it participated as an

underwriter on the appropriate Form G-37/G-38 filing. After being advised by the staff of these omissions, in October 2007, Butler Wick amended the previously filed Forms G-37/G-38 to reflect the nine issues that had been omitted.

As a municipal securities dealer, Butler Wick was required to file a Form G-37/G-38 with the MSRB for the second quarter of 2005. Butler Wick failed to file its June 30, 2005 quarterly report on a timely basis in that the report was filed four days late.

Such acts, practices and conduct constitute separate and distinct violations of MSRB Rule G-37 by Butler Wick.

3. Butler Wick's written supervisory procedures required that it make the necessary filings in the manner prescribed by MSRB Rules G-36 and G-37. However, the firm failed to enforce its procedures as it related to the MSRB Rules G-36 and G-37 filings in that it filed several forms in an untimely manner and did not file many forms until the deficiencies were brought to its attention by the FINRA staff.

Such acts, practices and conduct constitute separate and distinct violations of MSRB Rule G-27 by Butler Wick.

- B. Respondent also consents to the imposition of the following sanctions: a censure and a fine of \$29,000.

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

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against it;
- 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, Respondent 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.

Respondent further specifically and voluntarily waives 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

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by FINRA's Department of Enforcement and National Adjudicatory Council ("NAC") Review Subcommittee or 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 it; and,
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - 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. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it 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.

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Respondent certifies that a duly authorized representative has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it 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 Respondent to submit it.

MARCH 11, 2008
Date

Butler, Wick & Co., Inc.

By: Thomas J. Cavalier
THOMAS J. CAVALIER

Its: PRESIDENT & CEO

Reviewed by:

Franklin S. Bennett, Jr.
Counsel for Respondent
FRANKLIN S. BENNETT, JR.
GENERAL COUNSEL & CAO

Accepted by FINRA:

March 20, 2008
Date

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

Marcietta Kerr
Marcietta Kerr

Senior Regional Attorney
FINRA Department of Enforcement
55 W. Monroe, 27th Floor
Chicago, IL 60603
312.899.4673; (f) 312.899.4600



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March 11, 2008

Ms. Marcletta Kerr
Senior Regional Attorney
FINRA
Chicago District Office
55 West Monroe Street, Suite 2700
Chicago, IL 60603-5052

RE: Statement of Corrective Action
Letter of Acceptance, Waiver and Consent
Exam No. 20070073283

Dear Ms. Kerr

This letter constitutes Butler, Wick & Co., Inc.'s Statement of Corrective Action with regard to the deficiencies contained in the above noted Letter of Acceptance, Waiver and Consent.

MSRB Rule G-36

The failure to file Form G-36(ARD) was initiated when the individual previously responsible for these filings left Butler Wick and the responsibility was transferred to another individual of the Municipal Syndicate Department. The new individual, Laura Sylvester, has been advised by Compliance of the necessity to timely file Form G-36(ARD) when Butler Wick acts as an underwriter for an issue that refunds, in advance, an outstanding municipal securities issue. In addition, Compliance also advised Ms. Sylvester of the need to indicate, on Form G-36(OS), when a new issue that Butler Wick underwrites is a refunding deal by checking the box that reads "IF THESE SECURITIES ADVANCE REFUND ALL OR A PORTION OF ANOTHER ISSUE, PLEASE CHECK HERE:"

In addition to discussing these requirements with Ms. Sylvester, Compliance also discussed these requirements with Mr. Robert Perrier, her direct supervisor. Butler Wick now believes that both Ms. Sylvester and Mr. Perrier understand the necessity and information needed to timely and accurately file these two MSRB forms.

After being notified of these deficiencies, Butler Wick took steps to promptly file all missing Form G-36(ARD) and to amend all incomplete Form G-37.

Ms. Marcletta Kerr

March 11, 2008

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MSRB Rule G-37

Butler Wick's failure to include 9 municipal underwritings on Form G-37 is linked to its previous procedure wherein, on a quarterly basis, the list of underwritings in which the firm participated was provided to Compliance by its municipal syndicate department located in Columbus, Ohio. After notification by FINRA that these underwritings were not disclosed on Butler Wick's Form G-37 filings, the responsibility to provide Compliance with an underwriting list has been shifted its central syndicate desk located in Westlake, Ohio. The aforementioned Ms. Sylvester is now the individual charged with the responsibility for providing a complete and accurate list of underwritings to Compliance for purposes of filing Form G-37. Again, Ms. Sylvester is directly supervised by Mr. Perrier, who has been versed in this requirement by Compliance.

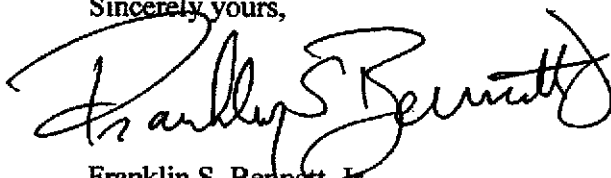
After being advised of these deficiencies, the deficient filings were promptly amended to disclose the missing underwritings in which the firm participated.

Butler Wick feels that by consolidating these similar functions under the responsibility of one individual and supervisor within one office, there will be more consistency in the process and thus, less chance for errors.

This Statement of Corrective Action is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff

Thank you for providing Butler Wick the opportunity to include this statement along with its executed Letter of Acceptance, Waiver and Consent. If there is any further information needed, please do not hesitate to call me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Franklin S. Bennett, Jr.", written in a cursive style.

Franklin S. Bennett, Jr.

General Counsel and Chief Administrative Officer