

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007007962901**

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REGISTRATION & DISCLOSURE

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

RE: Cascadia Capital, LLC, Respondent
Member
CRD No. 101020

and

Michael Joseph Butler, Respondent
General Securities Principal
CRD No. 1607507

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, 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

Cascadia Capital, LLC ("Cascadia" or "the Firm") has been a member of FINRA since May 1, 2000. Its principal offices are located in Seattle, Washington. It employs approximately 17 registered persons. Cascadia's business primarily involves the private placement of securities and mergers and acquisitions.

Michael Joseph Butler ("Butler") entered the securities industry in November 1986 as an associated person of a member of FINRA. He became registered as a General Securities Representative in November 1989 and as a General Securities Sales Supervisor in December 1994. Since May 2000, he has been registered through Cascadia as a General Securities Principal, Introducing Broker Financial & Operations Principal, and General Securities Representative.

Neither Cascadia nor Butler has been the subject of prior formal disciplinary action by FINRA, other self-regulatory organizations, the Securities and Exchange Commission, or any state regulator.

OVERVIEW

Cascadia, acting through Butler, permitted Butler to perform duties requiring registration while his registration status with FINRA was inactive due to his failure to complete the Regulatory Element of FINRA's continuing education requirement. Butler performed such duties when he knew his registration status was inactive.

FACTS AND VIOLATIVE CONDUCT

NASD Membership and Registration Rule 1120(a) requires each registered person to complete the Regulatory Element of FINRA's continuing education requirements at specified times. Unless otherwise determined by FINRA, any registered persons who have not completed the Regulatory Element within the prescribed time frames have their registrations deemed inactive until such time as the requirements of the program have been satisfied. Any person whose registration is deemed inactive under Rule 1120(a) must cease all activities as a registered person and is prohibited from performing any duties and functioning in any capacity requiring registration, and no member may permit any registered persons to perform such duties or to function in any such capacity while his or her registration is inactive.

Respondent Butler was, at all relevant times, the President and Chief Compliance Officer of Cascadia. Sometime before July 2, 2006, Butler was informed that he would be required to complete the Regulatory Element during the period from July 2, 2006, to October 29, 2006. He knew that his FINRA registrations would become inactive on October 29, 2006, if he did not complete the Regulatory Element by that date.

Respondent Butler was scheduled to sit for the Regulatory Element on October 18, 2006. He did not appear for the Regulatory Element on that date.

During the period from October 29, 2006, until January 3, 2007, Respondent Butler's FINRA registrations were inactive as a result of his failure to complete the Regulatory Element. During that period Cascadia, acting through Butler, permitted Butler to perform duties and to function in capacities requiring registration and it continued to pay Butler his agreed compensation. Respondent Butler, knowing that his registration status was inactive, continued to perform such duties and to function in such capacities. The duties he performed while his registration status was inactive included acting as the Firm's President and Chief Compliance Officer, executing advisory agreements related to mergers and acquisitions, meeting with the Firm's customers and advising them regarding securities transactions.

During the period when his registration status was inactive, Respondent Butler was scheduled to sit for the Regulatory Element on November 9, 2006; November 20, 2006; and December 21, 2006. He did not appear for the Regulatory Element on any of those dates. Respondent Butler completed the Regulatory Element on January 3, 2007.

Such acts, practices and conduct constitute separate and distinct violations of NASD Membership and Registration Rule 1120(a) by Respondents Cascadia and Butler. Such conduct is inconsistent with high standards of commercial honor and just and equitable principles of trade and a violation of Conduct Rule 2110 by Respondents Cascadia and Butler.

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

Cascadia Capital, LLC, and Michael Joseph Butler shall be censured and fined \$10,000, jointly and severally. In addition, Michael Joseph Butler shall be fined \$15,000. In assessing the fine against Respondent Butler, financial benefits obtained by him were considered.

Respondents agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Respondents have submitted Election of Payment forms showing the method by which they propose to pay the fines imposed.

Respondents specifically and voluntarily waive any right to claim that they are 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 Formal Complaint issued specifying the allegations against Respondents;
- 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:

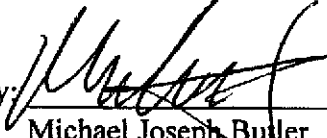
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;

- 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 Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondents;
 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondents' 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. 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 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 Respondents' right 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.

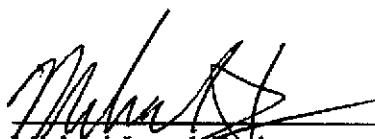
Respondents certify that they have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that they have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce them to submit it.

5/6/08
Date

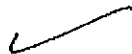
Cascadia Capital, LLC

By: 
Michael Joseph Butler
President

5/6/08
Date


Michael Joseph Butler
Respondent

Reviewed by:


Counsel for Respondents

Accepted by FINRA:

June 2, 2008
Date

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


David Utevsky
Senior Regional Counsel
FINRA Department of Enforcement
601 Union Street, Suite 1616
Seattle, WA 98101
(206) 624-0790
Fax Number (206) 623-2518