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**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

**David Bigelow Crocker,
CRD No. 1927739,**

Respondent.

**Disciplinary Proceeding
No. 20070111515**

Hearing Officer: Andrew H. Perkins

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: February 19, 2010

INTRODUCTION

Disciplinary Proceeding No. 20070111515 was filed on December 15, 2009, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent David Crocker submitted an Offer of Settlement (Offer) to Complainant on January 26, 2010. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of

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findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

David Bigelow Crocker is currently employed at an investment advisory firm. Crocker began his employment at Citigroup Global Markets on April 2, 1991 and was terminated by the firm on December 15, 2007. While at Citigroup, Crocker worked as a registered representative and held Series 7 and 63 licenses. Crocker has worked in the securities industry since 1989.

Crocker is subject to FINRA's jurisdiction pursuant to Article V, § 4 of NASD's By-Laws. This complaint was filed within two years after the effective date of termination of Crocker's association with Citigroup.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

On two occasions in 2004 and 2005, while he was a registered representative with Citigroup Global Markets, Inc. ("Citigroup" or "the firm"), David Crocker participated in referring firm customer E.S. to a registered representative at another firm for the purpose of purchasing equity indexed annuities. For doing so, Crocker received compensation. However, Crocker failed to provide prompt written notice of this outside business activity to Citigroup.

Beginning in late 1992 early 1993, and continuing through the time period at issue here, Crocker maintained a partnership arrangement at Citigroup with another registered representative at Citigroup, hereinafter referred to as "LE." Under the terms of that partnership agreement,

which was changed in 1996 when a third partner left the group, all revenue generated by Crocker and LE as registered representatives was split evenly between them.

One of the shared clients of Crocker and LE was E.S., a businessman who had approximately \$50 million in assets in accounts handled by Crocker and LE. In 1993, E.S. purchased an annuity contract from LE worth approximately \$1 million. In 1995, E.S. purchased another annuity contract from LE worth approximately \$700,000. Crocker was not involved in these transactions because he was not licensed to sell insurance products.

During 2004, Crocker agreed to refer ES to EE, a registered representative at another firm, so ES could purchase different annuities through EE. EE was the husband of LE, Crocker's partner at the time at Citigroup. As Crocker knew, the referral of E.S. to EE was done in part because a higher commission would be paid by E.S. if the sales were made through EE. Although Crocker initially opposed the idea of referring E.S. to EE, after a number of discussions with both LE and EE, Crocker agreed to the proposal.

Following Crocker's acquiescence, on two occasions, once in 2004 and once in 2005, Crocker and LE referred E.S. to LE's husband so E.S. could purchase equity-indexed annuities (EIAs). Both purchases were done as 1035 exchanges whereby the original annuities sold by Crocker and LE to E.S. were sold and new EIAs were purchased by EE for E.S. Specifically, in December 2004, E.S. purchased an EIA from EE worth approximately \$1,000,000. In November 2005, E.S. purchased an additional EIA from EE worth approximately \$700,000.

Crocker subsequently received approximately \$3,500 from the commission proceeds for the transactions. Those funds were delivered to Crocker in an envelope at his office at Citigroup. Crocker failed to provide prompt written notice to Citigroup of his receipt of compensation for

the transactions described above. Crocker eventually notified his supervisor of the transactions a number of years later, in 2007. Based on the foregoing, Respondent violated NASD Conduct Rules 3030 and 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be

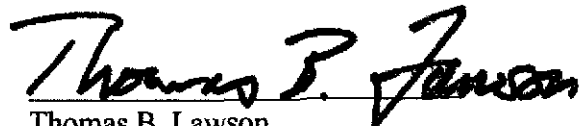
Censured, suspended for 20 business-days from association with any FINRA member firm in any capacity, and fined \$10,000, which includes the disgorgement of \$3,500 in financial benefits received.

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

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read "Thomas B. Lawson".

Thomas B. Lawson
Chief Counsel
FINRA Department of Enforcement
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Washington, DC 20006