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**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070114962 - 01**

REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority

RE: David Travis Weitz
CRD 4429494

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent, David Travis Weitz submits this Letter of Acceptance, Waiver and Consent 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 Weitz alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Weitz 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

David Travis Weitz has been registered with Register Financial Associates, Inc. and its predecessors as a general securities representative since October 2001. In addition to acting as the representative for several accounts, Weitz functioned as one of the firm's two research analysts. Weitz obtained the securities licenses required to write research reports distributed to the public on March 15, 2005.

OVERVIEW

From 2000 until January 2007, Weitz and another research analyst at Register Financial Associates, Inc. wrote a newsletter entitled "The Georgia Small Cap Monitor." The Monitor was published by Register Financial every quarter and each edition was distributed to nearly two thousand of the firm's clients and potential clients. Most of the Monitor was a compendium of publicly-available information from the prior business quarter about certain, Georgia-based small-cap companies. Since 2001, however, Weitz and the other research analyst wrote a section for the Monitor entitled "Stock Pick" that provided a brief analysis of the securities of one or more companies, along with a price target and a recommendation.

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In the Stock Pick section, Weitz analyzed a security, set a price target, and often offered an explicit recommendation to readers to purchase the Stock Pick. But Weitz did not follow NASD rules and SEC regulations regarding research reports for the Stock Pick section. Because he did not treat the Stock Pick as a research report, Weitz violated NASD Rule 2711(g)(2), 2711(h)(1)(A) and NASD Rule 2210(d)(1)(A), and NASD Rule 2711(h)(7). In addition, Weitz did not make the certifications required of Rule 501(a) of Regulation AC — Analyst Certification (Reg AC), 17 CFR 242.500-05, that the views in the Stock Pick sections were his own and that he was not compensated for his views in the Stock Pick sections. By committing these violations, Weitz also violated NASD Rule 2110.

FACTS AND VIOLATIVE CONDUCT

The Monitor

Weitz is one of two research analysts employed by Register Financial. Between 2000 and February 2007, Weitz and the other analyst prepared "The George Small Cap Monitor," which was largely a synopsis of public information that Weitz and SH collected about certain Georgia small-cap companies. The Monitor was published four times a year, usually in January, April, July, and October. Each edition of the Monitor was distributed by the firm to approximately 2,000 people, including clients, potential clients, and key officers of the companies covered in the Monitor.

The Stock Pick Section

From 2001 until January 2007, Weitz and the firm's other research analyst wrote 25 Monitors that were published by Register Financial. Each contained a Stock Pick section that highlighted one or more securities of Georgia small-cap companies. In the Stock Pick sections for which he was the principal author, Weitz generally wrote one or two paragraphs of analysis for the security highlighted as a Stock Pick. In general, Weitz recounted significant recent events for the profiled company, such as debt offerings and sales performance, in the Stock Pick section. In several Stock Pick sections, Weitz included an explicit "buy" rating for the Stock Pick, while in others he recommended purchase of the Stock Pick. In all of the Stock Pick sections he principally authored except one, Weitz offered a price target for the Stock Pick. Weitz disclosed risks to achieving that price target in only one Stock Pick section he principally authored, however.

The Stock Pick Section was a "Research Report"

Rule 2711 defines "research report" as "a written or electronic communication which includes an analysis of equity securities of individual companies or industries, and which provides information reasonably sufficient upon which to base an investment decision." The Stock Pick section qualified as a "research report" under Rule 2711. It consisted of a written communication which included an analysis of equity securities of individual Georgia small-cap companies.

**Weitz Violated NASD Rule 2711(c)(2) and NASD Rule 2110
By Providing a Draft Stock Pick Section to the Company Profiled as the Stock Pick**

Rule 2711(c)(2) provides that a research analyst cannot provide a draft of a research report to the company whose securities are the subject of the report when the draft contains the research summary, rating, or price target, and if legal or compliance personnel are not first provided the draft:

A member may submit sections of such a research report to the subject company before its publication for review as necessary only to verify the factual accuracy of information in those sections, provided that:

(A) the sections of the research report submitted to the subject company do not contain the research summary, the research rating or the price target; [and]

(B) a complete draft of the research report is provided to legal or compliance personnel before sections of the report are submitted to the subject company; . . .

On January 10, 2006, Weitz sent an e-mail to the CFO of K and attached a three-page draft research report initiating coverage on K. The draft report had a research summary, "buy" rating, and a price target, as well as a detailed analysis of K's business model, revenue growth, potential markets, cash flow, liquidity, and valuation. In the e-mail to the CFO, Weitz asked him to "please read over the report for any factual errors" and that "[w]e also plan to use [K] as our stock pick in our year-end newsletter." Weitz did not provide a complete draft of the report to legal or compliance personnel at Register Financial prior to sending the draft to K.

On the next day, January 11, 2006, Weitz sent another e-mail to the CFO of K, attaching the "final report with the corrections made," and told the CFO that "[f]or our stock pick section in the newsletter, it will be the same information in a more summarized form." Approximately two weeks after Weitz sent the draft report to the CFO of K, Register Financial published the Fourth Quarter 2005 edition of the Monitor. K was featured in the Stock Pick section, which was adapted from the draft report that Weitz had sent to the CFO. In the Stock Pick section, Weitz gave K a "buy" rating and set forth same price target as in the draft report sent by TW to K.

Because Weitz provided a draft of the Stock Pick section to K before it was published, because the draft contained a research summary, rating and price target, and because Weitz did not first provide the draft with legal or compliance personnel at the firm, he violated Rule 2711(c)(2). In addition, by virtue of violating Rule 2711(c)(2), he also violated Rule 2110.

Weitz Violated NASD Rule 2711(h)(1)(A), NASD Rule 2210(d)(1)(A), and NASD Rule 2110 By Failing to Disclose That He Owned a Security That Was the Subject of a Stock Pick

Rule 2711(h)(1) requires research analysts to disclose conflicts of interest in their research reports. If a research analyst has a financial interest in securities that are the subject of a research report, that analyst must disclose it:

A member must disclose in research reports . . . (A) if the research analyst . . . has a financial interest in the securities of the subject company, and the nature of the financial interest (including, without limitation, whether it consists of any option, right, warrant, future, long or short position).

In addition, Rule 2210(d)(1)(A) provides that no member may omit any material fact or qualification in a research report if the omission, in light of the context of the material presented, would cause the report to be misleading. By failing to disclose that he owned securities profiled in the Stock Pick sections, as detailed below, Weitz omitted to state material information and thereby caused the sections to be misleading.

Since 2004, Weitz owned three securities when they were profiled as Stock Picks. Weitz did not disclose his ownership of those securities because he did not treat the Stock Pick section as a research report.¹ First, the Monitor published in October 2006 featured W-S- in the Stock Pick section. Weitz was the principal author of that Stock Pick section. At the time the October 2006 Monitor was published, Weitz owned 400 shares of W-S-, although he did not disclose that in the Stock Pick section. Second, the Monitor published in October 2005 featured P-G-S- as one of the Stock Picks, and Weitz was the principal author of the discussion regarding P-G-S- in the Stock Pick section. At the time the October 2005 Monitor was published, he owned 300 shares of P-G-S-, although he did not disclose that in the Stock Pick section. Third, the Monitor published in November 2004 featured I- International as the Stock Pick. At the time that he wrote the Stock Pick section featuring I- International, Weitz owned 500 shares of I- International but did not disclose that in the Stock Pick section.

By failing to disclose that he owned these securities profiled in the Stock Pick sections, Weitz violated Rule 2711(h)(1)(A), Rule 2210(d)(1)(A), and, by virtue of those violations, Rule 2110.

Weitz Violated NASD Rule 2711(g)(2) and NASD Rule 2110 By Trading A Security Four Days Before It Was Profiled as a Stock Pick

Rule 2711(g)(2) generally prohibits trading by an analyst of a stock he follows from thirty days before until five days after he publishes a report concerning a company unless the report is pre-approved by legal or compliance personnel at the member firm:

¹ On the last page of each edition of the Monitor, the firm stated that it and its analysts "may take significant long or short positions in the securities of the companies mentioned in the report."

No research analyst account may purchase or sell any security issued by a company that the research analyst follows, . . . for a period beginning 30 calendar days before and ending five calendar days after the publication of a research report concerning the company or a change in rating or price target of the company's securities; provided that

...

(B) a member may permit a research analyst account to purchase or sell any security issued by a subject company within 30 calendar days before the publication of a research report . . . , provided that legal or compliance personnel pre-approve the research report . . .

The trading restrictions of Rule 2711(g) apply both to an analyst's own accounts as well as accounts over which the analyst has discretion or control. Rule 2711(a)(6) defines "research analyst account" as "any account in which a research analyst . . . has a financial interest, or over which such analyst has discretion or control . . ." Weitz was the representative for several accounts, and he exercised discretion in those accounts. Accordingly, the trading restrictions of Rule 2711(g) applied not only to Weitz's accounts, but also the accounts for which he was the registered representative.

On at least four occasions since 2005,² Weitz purchased securities within 30 days before he wrote a section featuring the securities as stock picks. Weitz wrote the Stock Pick section of the Monitor published on October 27, 2005 featured multiple stocks, including P-G-S-, I-S-, S-B- and A-R-. That section was not pre-approved by legal or compliance personnel at Register Financial. Weitz purchased 100 shares of P-G-S- for his own account on October 11, 2005. He purchased 500 shares of S-B- on October 19, 2005 and 1,600 shares of I-S- on October 27, 2005 for the account of his client, BH. Weitz purchased 250 shares of A-R- on October 14, 2005 and 700 shares of I-S- on October 27, 2005 for his client, RD.

Because Weitz purchased securities for his own account or accounts he controlled within 30 days prior to the securities being featured as Stock Picks in the Monitor, and because the Stock Pick section featuring those securities was not pre-approved by legal or compliance personnel at the firm, Weitz violated Rule 2711(g)(2). By virtue of violating Rule 2711(g)(2), Weitz also violated Rule 2110.

Weitz Violated NASD Rule 2711(h)(7) and NASD Rule 2110 By Failing to Disclose Valuation Methods and Risks to the Price Targets

As of July 9, 2002, NASD Rule 2711(h)(7) required research analysts to "disclose in research reports the valuation methods used to determine a price target." The rule also provided that price targets "must be accompanied by a disclosure concerning the risks that may impede achievement of the price target." After July 9, 2002, Weitz wrote all or part of approximately eight Monitors, each with a Stock Pick section and price target. Weitz did not disclose the valuation methods used to determine the price target in any of those Stock Pick sections, and did

² Register Financial did not retain records showing the dates that Monitors were published prior to 2005.

not disclose the risks to achieving her price targets in five of those eight Monitors. As a result, Weitz violated NASD Rule 2711(h)(7) and, by virtue of violating Rule 2711(h)(7), he also violated Rule 2110.

Weitz Violated SEC Regulation AC By Failing to Make the Required Certifications

On February 6, 2003, the SEC issued Regulation AC -- Analyst Certification, 17 CFR 242.500-05, with an effective date of April 14, 2003. Reg AC requires member firms and their associated persons to certify in their research reports that the views in the research reports are their own. Specifically, Reg AC requires research analysts to make a "prominent certification" that contains the following:

- (1) a statement attesting that all of the views expressed in the research report accurately reflect the research analyst's personal views about any and all of the subject securities or issuers; and
- (2) (i) A statement attesting that no part of the research analyst's compensation was, is, or will be directly or indirectly, related to the specific recommendation or views expressed by the research analyst in the research report; or
- (ii) A statement:
 - (A) Attesting that part or all of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the research analyst in the research report;
 - (B) Identifying the source, amount and purpose of such compensation; and
 - (C) Further disclosing that the compensation could influence the recommendations or views expressed in the research report.

Weitz made no such certification for any of the seven Stock Pick sections he wrote in whole or in part after April 14, 2003. As a result, Weitz violated Reg AC, and by virtue of violating Reg AC, also violated Rule 2110.

B. Weitz also consents to the imposition of the following sanctions:

- 1. a fine in the amount of \$10,000; and
- 2. a suspension in all capacities for 30 days.

Weitz specifically and voluntarily waives any right to claim that he 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

Weitz 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 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 National Adjudicatory Council and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Weitz 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.

Weitz further specifically and voluntarily waives 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

Weitz 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 the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs, 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 Weitz; and
- C. If accepted:

1. this AWC will become part of Weitz's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Weitz;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Weitz's disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. Weitz 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. Weitz 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 Weitz's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. Weitz may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Weitz 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.

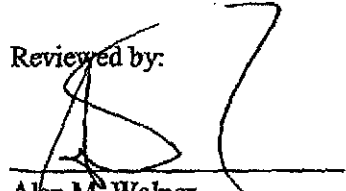
Weitz certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and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

6/8/09
Date

David Travis Weitz
Respondent

By: Travis Weitz

Reviewed by:



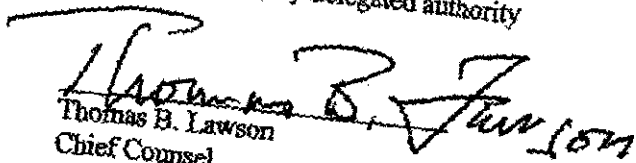
Alan M. Wolper

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Accepted by FINRA:

Date 6/22/09

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


Thomas B. Lawson

Chief Counsel
FINRA Department of Enforcement
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