

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008011565202**

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

RE: John M. Campbell, Respondent
General Securities Principal, General Securities Representative,
Municipal Securities Principal and Registered Options Principal
[CRD No.1557202]

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, John M. Campbell, 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I 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

John M. Campbell, Respondent entered the securities industry on September 2, 1987, as a General Securities Representative of Ray Securities, Inc., a member of FINRA. During all periods mentioned herein, John M. Campbell was associated with Aura Financial Services, Inc. and was registered with FINRA under Article V of the By-Laws as a General Securities Principal, General Securities Representative, Municipal Securities Principal and Registered Options Principal, which registration remains currently in effect. John M. Campbell is currently associated with another member firm. John M. Campbell has not previously been the subject of any formal disciplinary actions.

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OVERVIEW

Campbell was the Chief Compliance Officer of Aura Financial Services, Inc. from April 1, 2006 through June 30, 2007. The written supervisory procedures he drafted were deficient regarding supervision of excessive trading. In addition, he failed to ensure that the procedures that were in place were followed. Finally, he failed to reasonably supervise two registered representatives whose accounts exhibited red flags of excessive trading.

FACTS AND VIOLATIVE CONDUCT

From on or about April 1, 2006 through on or about June 30, 2007, John M. Campbell, the CCO of Aura Financial Services, Inc., failed to establish, maintain, and enforce an adequate supervisory system and adequate written supervisory procedures to detect and prevent excessive trading in customer accounts.

From April 1, 2006 to March 31, 2007, the firm had 50 accounts that appeared to have been excessively traded. ET was the registered representative for 18 of these accounts. SS was the registered representative for 12 of these accounts. From May 1, 2007 to May 31, 2008, the firm had 65 accounts that appeared to have been excessively traded. Campbell was the chief compliance officer for a portion of this period – May 1, 2007 through June 30, 2007. During this second period, ET was the registered representative for 21 of the 65 accounts that appeared to have been excessively traded. The actively traded accounts maintained annualized turnover ratios ranging from 6.34 to 71.64, annualized commission to equity ratios ranging from 19.05% to 99.99%, annualized cost to equity maintenance ratios ranging from 20.56% to 99.99%, and charged total commissions per account ranging from \$5,126 to \$156,222.

John M. Campbell drafted the written supervisory procedures in effect from April 1, 2006 through on or about June 30, 2007. The written supervisory procedures required Campbell, the designated principal, to conduct quarterly account reviews and determine the turnover ratios for the accounts. If the turnover ratio exceeded six, Campbell was to take immediate steps to determine that the level of trading activity was acceptable to the customer and conformed to the customer's objectives. Campbell failed to follow these procedures, because from April 1, 2006 to June 30, 2007, Campbell did not review reports reflecting the turnover ratio in order to determine whether an account was excessively traded. Furthermore, despite a turnover ratio in excess of six in 50 accounts, the firm sent only two letters to customers with active accounts during the time period April 1, 2006 to June 30, 2007. Neither Campbell nor anyone else at the firm made other efforts to contact customers with active accounts.

In addition, the written supervisory procedures for the entire time period, April 1, 2006 to June 30, 2007, were unreasonable because they failed to require any specific action to be taken by the firm when a customer's account exceeded a turnover ratio of six.

In particular, Campbell failed to reasonably supervise Registered Representatives ET and SS. Campbell was ET's direct supervisor and was aware of numerous red flags that should have alerted him to the necessity to provide close supervision of ET regarding active trading. At the time he was hired by Aura Financial Services in March 2005, ET had disclosed five customer complaints or arbitrations on his Uniform Application for Securities Registration or Transfer. Between January 1, 2005 and December 31, 2005, ET appeared several times on the report used by the firm to indicate active accounts. In fact, at a conference held on March 31, 2006, FINRA informed Campbell that ET was engaged in excessive trading. Despite these red flags, Campbell took no steps to analyze the frequency of Taber's trading and took no steps to contact ET's customers.

Although Campbell was not SS's direct supervisor, he should have been aware of the excessive trading red flags in SS's accounts. Between January 1, 2005 and December 31, 2005, SS appeared several times on the report used by the firm to indicate active accounts. In addition, on February 20, 2006, the firm received a complaint from one of SS's customers that SS had engaged in churning. Furthermore, on March 31, 2006, FINRA informed Campbell that SS was trading excessively. Despite these red flags, Campbell took no steps to analyze the frequency of SS's trading and took no steps to contact SS's customers.

Campbell's failure to reasonably respond to the red flags presented by the trading of Registered Representatives ET and SS exposed their customers to losses that could occur as a result of excessive trading, unsuitable trading, improper use of discretion, or other sales practice violations.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3010 by John M. Campbell.

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

A 90-day suspension of Respondent John M. Campbell from association with any FINRA member in any principal capacity.

Respondent has submitted a sworn financial statement and demonstrated an inability to pay. In light of the financial status of Respondent, no monetary sanctions have been imposed.

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

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the 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, I 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.

I further specifically and voluntarily waive 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

I 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 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 me; and

C. If accepted:

1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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. I 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. I 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I 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 me to submit it.

09/19/2009
Date


John M. Campbell, Respondent

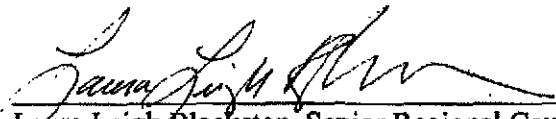
Reviewed by:

Counsel for Respondent

Accepted by FINRA:

November 4, 2009
Date

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

A handwritten signature in black ink, appearing to read "Laura Leigh Blackston", written over a horizontal line.

Laura Leigh Blackston, Senior Regional Counsel
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