

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008011683801**

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

RE: Coady Diemar Partners, LLC, Respondent
Member Firm
CRD No. 128334

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, we 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 us alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. We 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

Coady Diemar Partners, LLC ("CDP"), has been a member of FINRA since 2004. It employs approximately ten registered individuals who work out of three offices. CDP's primary business consists of mergers and acquisitions, raising private capital and strategic advisory services. CDP does not have any FINRA disciplinary history.

OVERVIEW

CDP failed to retain all of its business-related electronic communications. Throughout the relevant time period, CDP engaged a third-party vendor to preserve such communications. The vendor, however, did not properly retain those electronic communications. This conduct violated NASD Conduct Rules 3110 and 2110 and Rule 17a-4 of the Securities Exchange Act of 1934

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("Exchange Act").

FACTS AND VIOLATIVE CONDUCT

At the times relevant herein, Exchange Act Rule 17a-4 required that member firms maintain and preserve, for a period of not less than three years (the first two years in an easily accessible place), electronic communications relating to the firm's business as a broker-dealer. In Notices to Members 98-11, 01-80 and 03-33, FINRA provided member firms information and guidance regarding their supervisory and recordkeeping obligations as to electronic communications, including e-mail and instant messaging.

From 2004 through in or about November 2008, CDP failed to maintain and preserve all of its business-related electronic communications. Throughout that time period, CDP engaged a third-party vendor to preserve such communications. The vendor, however, did not properly retain those electronic communications. Indeed, the vendor ultimately purged virtually all of the electronic communications it had initially captured for CDP. Moreover, CDP did not otherwise preserve all of its business-related electronic communications; e-mails deleted from the firm's computers were not retained.

By failing to maintain and preserve all of its business-related electronic communications, CDP violated NASD Conduct Rules 3110 and 2110 and Exchange Act Rule 17a-4.

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

- a censure and \$35,000 fine.

The fine shall be due and payable, pursuant to an installment payment plan as designated on the submitted Election of Payment Form, in accordance with the following terms:

- We will make an initial payment of \$8,750, followed by \$3,750 payments, plus interest, every calendar quarter, for the next seven quarters;
- Interest will be paid on the outstanding balance at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date the initial payment is sent until the date of the quarterly payment; and
- We must remain current with the installment payments while registered as a FINRA member firm (see FINRA Rule 8320).

In addition, CDP agrees to comply with the following undertaking within the time periods specified (unless otherwise extended by FINRA staff following a written request by the firm):

- Within 90 calendar days of the issuance of this AWC, the Chief Executive Officer of CDP will certify to FINRA in writing that the firm currently has in place systems and procedures reasonably designed to achieve compliance with those laws, regulations, and rules concerning the preservation of electronic mail communications. The certification, along with the current procedures, must be submitted to Department of Enforcement staff at FINRA's New Jersey District Office. Although FINRA staff may review the revised procedures, said review shall in no way constitute an approval of the revised procedures. The failure of FINRA staff to alert CDP to any deficiencies in the revised procedures shall not preclude FINRA from instituting a subsequent disciplinary action as a result of deficiencies in the revised procedures.

We agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. We have submitted an Election of Payment form showing the method by which we propose to pay the fine imposed.

We specifically and voluntarily waive any right to claim that we are 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

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

- A. To have a Complaint issued specifying the allegations against us;
- 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, we 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.

We 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

We 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 us;
- C. If accepted:
 - 1. this AWC will become part of our permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against us;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about our 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. We 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. We may not take any position in any proceeding brought by or on behalf of FINRA, or in which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects our right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party; and

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

The undersigned, on behalf of CDE, certifies that a person duly authorized to act on the firm's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that the firm 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 consequences of a compliance, has been made to induce the firm to submit to

Condy District Barbers, LLC

June 24, 2010
Date

By: Robert E. District, Jr.
Robert E. District, Jr., Chief Executive Officer

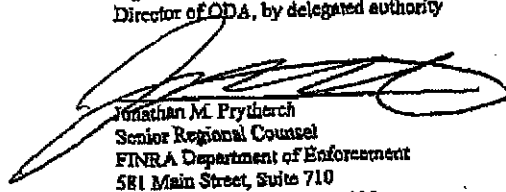
Reviewed by:

Kimberly V. Mann
Kimberly V. Mann, Esq.
Counsel for Respondent
Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20037
202-663-8281

Accepted by FINRA:

7/19/10
Date

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



Jonathan M. Pryderch
Senior Regional Counsel
FINRA Department of Enforcement
581 Main Street, Suite 710
Woodbridge, New Jersey 07095
Phone: (732) 596-2078
Fax: (202) 721-6371

COADY DIEMAR PARTNERS, L.L.C.

June 23, 2010

Financial Industry Regulatory Authority
New Jersey District Office
Suite 710
581 Main Street
Woodbridge, NJ 07095
Attention: Jonathan M. Prytherch

Re: Statement of Corrective Action; Letter of Acceptance, Waiver and
Consent - Examination No. 20080116838

Dear Mr. Prytherch:

Reference is made to that certain Letter of Acceptance, Waiver and Consent dated June 23, 2010 (the "AWC"), pursuant to which Coady Diemar Partners, L.L.C. ("CDP") proposes a settlement of the alleged violation of NASD Conduct Rules 3110 and 2110 and Rule 17a-4 promulgated under the Securities Exchange Act of 1934, as amended. This letter sets forth the corrective actions which have been taken by CDP in respect of such alleged violations.

As is indicated in the attached AWC, CDP engages a third-party vendor to store its electronic communications. Upon learning that its third-party vendor had purged virtually all of the electronic records it had captured for CDP, CDP worked with the vendor to implement procedures designed to ensure that CDP would retain its business-related electronic communications in accordance with applicable rules. In particular, the vendor's system was modified to:

- archive all electronic communications, with date/time, from/to/cc/bcc, subject, body text, and attachments;
- store data in an archive volume that is encrypted and compressed when written to disk, and is read-only accessible from the vendor's system;
- produce a digital stamp with a security key at the time of capture;
- execute searches of the vendor's database;
- produce in a timely and organized manner a collection of electronic communications in a specified format;

This Corrective Action Statement is submitted by Coady Diemar Partners, L.L.C. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.
Coady Diemar - Statement of Correction Actions (06-29-10).doc

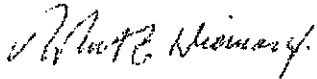
Coady Diemar Partners, L.L.C. 1378 Avenue of the Americas, New York, New York 10019 (212) 501-2600 www.coadydiemar.com

Coady Diemar Partners is a registered broker-dealer with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority (FINRA).

- make data available in reportable format; and
- perform back-up procedures by copying the database and archive volume records and storing them in a designated site.

Each of these procedures continues in effect and is reviewed periodically by CDP for compliance with applicable rules.

Very truly yours,



Robert E. Diemar, Jr.
Chief Executive Officer

Coady Diemar - Statement of Correction Actions (06-29-10).doc

Coady Diemar Partners, LLC 1670 Avenue of the Americas, New York, New York 10019 (212) 681-7200 www.cdadipartners.com

Coady Diemar Partners is a "broker-dealer" registered with the U.S. Securities and Exchange Commission as a "broker-dealer" of the Securities Investor Protection Corporation (SIPC).