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FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT

NO. 2008011754301

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

RE: Scott & Stringfellow, LLC, Respondent
Member Firm
CRD No. 6255

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Scott & Stringfellow, Inc. submits 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 the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accept 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

Since October 16, 1936, Respondent has been a member of FINRA and has been registered with the United States Securities and Exchange Commission. The firm conducts a general securities business and has 56 registered branch offices and employs about 704 registered persons.

RELEVANT DISCIPLINARY HISTORY

Respondent has a relevant FINRA disciplinary history. On or about June 29, 2006, Respondent was fined \$5,000 for, among other things, violations of Municipal Securities Rulemaking Board ("MSRB") Rule G-36 (Case

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No. E9A200400901). On or about July 30, 2007, Respondent was fined \$7,500 for violations of MSRB Rule G-36 (Case No. 2006003791101).

OVERVIEW

Respondent failed to report several instances in which it had participated in negotiated municipal securities underwriting activities. This conduct violated MSRB Rule G-37.

FACTS AND VIOLATIVE CONDUCT

MSRB Rule G-37 requires broker-dealers to report their participation in municipal securities underwritings to the MSRB. From on or about June 27, 2006 to on or about June 6, 2008, Respondent failed to report on a Form G-37 eight instances in which it had participated in negotiated municipal securities underwriting activities. By failing to report its participation in the municipal securities underwritings, Respondent violated MSRB Rule G-37.

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

- a censure; and
- a fine of \$10,000.

Respondent agrees to pay the fine upon notice that this AWC has been accepted and that such payment is due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the fine imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against it;
- 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, Respondent 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.

Respondent 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

Respondent 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 ("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 Respondent;
- C. If accepted:
 - 1. this AWC will become part of the Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm'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. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party; and
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent 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.

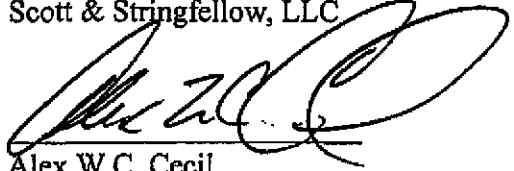
The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to its provisions voluntarily; and that no offer, threat, 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 the firm to submit it.

July 23, 2009
Date

Scott & Stringfellow, LLC

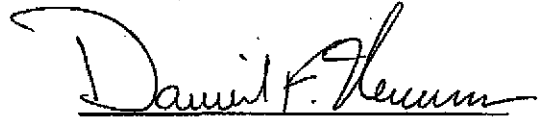
By:


Alex W.C. Cecil
Chief Compliance Officer

Accepted by FINRA:

August 6, 2009
Date

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


David F. Newman
Senior Regional Counsel
FINRA Department of Enforcement
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