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**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008012988801**

2009 AUG -4 P 6:55

REGISTRATION & DISCLOSURE

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

RE: David M. Sohn, Respondent
Limited Registered Representative
(CRD No. 5019782)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, David M. Sohn, 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

David M. Sohn ("Sohn") entered the securities industry on September 23, 2005, as a Direct Participation Program Representative of Meridian United Capital, LLC ("Member"), a member of FINRA. He was registered with the Member in such capacity until April 3, 2008. Sohn is not currently registered with any member of FINRA and he has no disciplinary history.

OVERVIEW

From February 2007 to January 2008, Sohn sold interests in a general partnership and a limited liability corporation in 28 transactions to 18 members of the public, without making a written request for permission to sell the interests to the Member and receiving written authorization from the Member to make the sales. Such conduct violated NASD Rules 2110 and 3040. In addition, when FINRA

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staff ("Staff") requested information and documentation about the sales and the income that Sohn received from the sales, he failed to respond to the requests for information and documentation, in violation of FINRA Rules 2010 and 8210.

FACTS AND VIOLATIVE CONDUCT

1. On January 4, 2007, Nutmeg/Mercury Fund L.L.P. ("Mercury Partnership") offered to sell up to 50 limited liability limited partnership interests at the purchase price of \$100,000 per unit. The Mercury Partnership invested the funds collected in various companies for equity, which was typically common stock, at a discount to market. Participation in the offering was limited to "accredited investors," with a minimum investment of \$100,000. The units of the Mercury Partnership were considered "securities," pursuant to the Securities Exchange Act of 1934, and the offering was made in reliance on an exemption from registration under the Securities Act of 1933, and certain state securities laws as an offer and sale of securities not involving a public offering.
2. Sohn discussed his investment with the Mercury Partnership with members of the public. These individuals also wanted to invest in the Mercury Partnership, but did not want to invest the required minimum \$100,000. To permit them to invest in the Mercury Partnership, Sohn created the Sohn/Mercury Fund partnership in February 2007. Sohn was the Managing General Partner of the Sohn/Mercury Fund partnership. In February 2007, Sohn sold interests in the Sohn/Mercury Fund partnership to ten members of the public as shown on Schedule A, attached hereto and incorporated by reference. Sohn collected a total of \$340,000 from investors for the Sohn/Mercury fund partnership. These funds were then invested in the Mercury Partnership. The sales of the interests in the Sohn/Mercury Fund partnership were sales of securities pursuant to the Securities Exchange Act of 1934.
3. Prior to selling the interests in the Sohn/Mercury Fund partnership, that are shown on Schedule A, and the resulting sales of interests in the Mercury Partnership, Sohn failed to provide the Member with written or oral notice about the sales of the two products, and failed to obtain approval from the Member to engage in such activity, in violation of NASD Rules 2110 and 3040.
4. Sohn was paid a one-time finder's fee of 5% on the purchase of the interests of the Mercury Partnership. The Mercury Partnership made profit distributions in at least March, April, May, June, July, August, September and November 2007. Sohn charged the investors 1% of these distributions for routine operating costs connected with the Sohn/Mercury Fund partnership.

5. On April 18, 2008, the Black Diamond Fund, LLLP ("Black Diamond Fund"), a Minnesota limited liability limited partnership, offered partnership units for an initial offering price of \$100,000 per unit. The Black Diamond Fund primarily invested the funds collected from the sales of the units in publicly-traded equity securities, privately negotiated, with an emphasis on small companies. Participation in the offering was limited to "accredited investors," with a minimum investment of \$100,000. The units of the Black Diamond Fund were considered "securities," pursuant to the Securities Exchange Act of 1934, and the offering was made in reliance on an exemption from registration under the Securities Act of 1933, and certain state securities laws as an offer and sale of securities not involving a public offering.
6. Sohn also discussed the Black Diamond Fund with some of the investors in the Sohn/Mercury Fund partnership and other members of the public. These individuals wanted to invest in the Black Diamond Fund, but again they did not want to invest the required minimum \$100,000. To permit them to invest in the Black Diamond Fund, Sohn created the Sohn Black Diamond LLC ("Sohn Black Diamond"), limited liability corporation in April 2007. Sohn was the Managing Member and Founder of Sohn Black Diamond. In April 2007, Sohn sold \$300,000 worth of interests in Sohn Black Diamond to eleven members of the public as shown on Schedule B, attached hereto and incorporated by reference. These funds were then invested in the Black Diamond Fund. In October 2007, Sohn sold an additional \$130,000 worth of interests in Sohn Black Diamond to five members of the public, two of whom had purchased interest in April, as shown on Schedule B. Again, these funds were then invested in the Black Diamond Fund. In December 2007, Sohn sold an additional \$75,000 interest in Sohn Black Diamond to another member of the public who had previously purchased an interest in April. These funds were also then invested in the Black Diamond Fund. Sohn's sales of the interests in Sohn Black diamond were sales of securities pursuant to the Securities Exchange Act of 1934.
7. Prior to selling these interests in the Sohn Black Diamond that are shown on Schedule B, and the resulting sales of interests in the Black Diamond fund, Sohn failed to provide the Member with written or oral notice about the sales of the two products, and failed to obtain approval from the Member to engage in such activity, in violation of NASD Rules 2110 and 3040.
8. Sohn was paid a one-time finder's fee of 5% on the purchase of the interests of the Black Diamond Fund. The Black Diamond Fund made profit distributions in at least October 2007. Sohn charged the investors 1% of this distribution for routine operating costs connected with Sohn Black Diamond.

9. After Sohn provided a response to two of the Staff's requests for information and documentation, on February 12, 2009, and February 18, 2009, the Staff sent a letter to Sohn requesting information about the one-time finders fee that he received from the purchase of the Mercury Partnership and the Black Diamond Fund, and requested personal tax returns and the tax returns from the Sohn/Mercury Fund Partnership and Sohn Black Diamond. Sohn failed to provide a response to these requests for additional information and documentation, in violation of FINRA Rules 2010 and 8210.

- B. I also consent to the imposition of the sanction of a bar from association with any member of FINRA in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 prejudice 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

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.

7-15-09

Received

Reviewed by:

Accepted by FINRA:

8/3/09

Richard S. Schultz
Richard S. Schultz

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Disciplinary Proceeding No. 2008012988801

Schedule A

Sales of the Sohn/Mercury Fund Partnership By David M. Sohn

Month of Sale	Investor Initials	Amount Invested
February 2007	SS	\$50,000
February 2007	BS	\$50,000
February 2007	MS	\$25,000
February 2007	MM	\$50,000
February 2007	EIK	\$50,000
February 2007	SK	\$25,000
February 2007	ErK	\$25,000
February 2007	MG	\$25,000
February 2007	RW	\$50,000
February 2007	JS	\$25,000
February 2007	FG	\$15,000

Total **\$390,000**

David Sohn also invested \$100,000 in the Sohn/Mercury Fund Partnership.

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Schedule B

Sales of the Sohn Black Diamond LLC By David M. Sohn

Month of Sale	Customer's Initials	Amount Invested By Customer
April 2007	AV	\$25,000
April 2007	BS	\$25,000
April 2007	MS	\$25,000
April 2007	MM	\$25,000
April 2007	SS	\$25,000
April 2007	SK	\$25,000
April 2007	EK	\$25,000
April 2007	MG	\$25,000
April 2007	JH	\$50,000
April 2007	MG	\$25,000
April 2007	JG	\$50,000
October 2007	SS	\$50,000
October 2007	EG	\$10,000
October 2007	LH	\$10,000
October 2007	RS	\$10,000
October 2007	MM	\$50,000
December 2007	MG	\$75,000

Total **\$505,000**

David Sohn also invested \$50,000 in Sohn Black Diamond LLC.