

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,
Complainant,

v.

David I. Carter, Respondent
General Securities Representative
[CRD No.4740584],

Respondent.

DISCIPLINARY PROCEEDING
No. 2008013476001

Hearing Officer: MC

**ORDER ACCEPTING
OFFER OF SETTLEMENT**

Date: August 30, 2011

INTRODUCTION

Disciplinary Proceeding No. 2008013476001 was filed on April 14, 2011, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Carter submitted an Offer of Settlement (Offer) to Complainant dated August 8, 2011. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

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Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

David I. Carter entered the securities industry on March 11, 2004, as a General Securities Representative of a FINRA member firm. During all periods mentioned herein, Carter was associated with FINRA member firm i-TRADEdirect.com Corp ("i-TRADE") and was registered with FINRA under Article V of the By-Laws as a General Securities Representative. Although Carter has not been associated with a FINRA member firm since May 30, 2010, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the date upon which he ceased to be associated with a FINRA member and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member. Carter has not been the subject of any formal disciplinary action in the past five years.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. During the period from on or about March 23, 2007, through on or about July 31, 2007, Respondent Carter exercised discretion in the account of customer JA.
2. Specifically, Carter effected 56 discretionary trades in the account JA, but did not obtain prior written authorization from JA.
3. Although i-TRADE permitted discretionary accounts, i-TRADE required its registered representatives to submit a written request to have an account designated as a

discretionary account. Carter did not submit such a request, and i-TRADE did not provide written acceptance of the account as discretionary.

4. Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2510(b) and 2110 against Respondent David I. Carter.

Based on the foregoing, Respondent Carter violated NASD Conduct Rules 2510(b) and 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

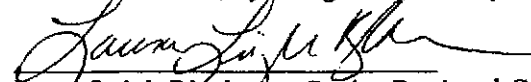
It is ordered that Respondent Carter be assessed a fine in the amount of \$10,000 and a 30 business-day suspension from association with any FINRA member in all capacities.

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

SO ORDERED.

FINRA

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



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