

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2008013864101**

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

RE: SunTrust Robinson Humphrey, Inc., Respondent  
Member Firm  
BD No. 6271

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, SunTrust Robinson Humphrey, Inc. ("SunTrust RH," the "Firm," or the "Respondent") 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 accepts 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**

SunTrust RH has been a registered broker-dealer and a member of FINRA (f/k/a National Association of Securities Dealers or NASD) since July 1972. SunTrust RH, a full-service corporate and investment banking subsidiary of SunTrust Banks, Inc., acts as the underwriter for issuances of equity, debt, and other securities, including auction rate securities ("ARS"), and offers sales and trading for institutional investors. SunTrust RH, headquartered in Atlanta, Georgia, has 14 active branches and over 650 registered representatives.

**RELEVANT PRIOR DISCIPLINARY HISTORY**

On May 31, 2006, the Securities and Exchange Commission ("SEC") instituted settled Administrative and Cease-and-Desist Proceedings ("2006 SEC Proceedings") against 15 firms, including SunTrust Capital Markets, Inc.,<sup>1</sup> finding violations of Section 17(a)(2) of the Securities Act of 1933 ("Securities Act") for conduct related to ARS practices.

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<sup>1</sup> SunTrust Capital Markets, Inc. was SunTrust RH's predecessor.

The SEC fined SunTrust Capital Markets, Inc. \$125,000, imposed a censure on it, ordered it to cease and desist from committing or causing any violations and future violations of Section 17(a)(2) of the Securities Act, ordered it to provide customers and issuers with a written description of its material auction practices and procedures within six months and to make them available on its public website within three months, and required its CEO or general counsel to certify that it had implemented procedures that are reasonably designed to prevent and detect failures to conduct its auction process in accordance with the Firm's auction practices.

### **OVERVIEW**

Beginning in late summer 2007, SunTrust RH became aware of stresses in the ARS market that raised the risk that auctions might fail. As these stresses increased in the late Fall 2007 to early 2008, the Firm made misrepresentations and omissions of material facts relating to the safety and liquidity of ARS by inadequately disclosing to its sales representatives SunTrust RH's increased concerns about its ability to support SunTrust RH-led ARS issues, or whether SunTrust RH could or would continue to support these SunTrust RH-led ARS issues, as it had in the past. As a result, certain sales representatives continued to sell these ARS as safe and liquid. By reason of the foregoing, the Firm violated NASD Rule 2110 and MSRB Rule G-17.

The Firm also shared material non-public information with its affiliated bank ("Bank"), which was contemplating investing in ARS. In particular, on February 13, 2008, the Firm provided information to the Bank which negligently included information about the potential refinancing of certain ARS issues that had not been publicly announced. The Firm had policies and procedures in place to prevent the sharing of such material non-public information between SunTrust RH and its affiliates, but failed to follow them to prevent the sharing of information between it and the Bank. As a result, the Firm violated MSRB Rule G-17.

Further, from May 31, 2006 through February 2008, the Firm used advertising and marketing materials that were not fair and balanced and did not provide a sound basis for evaluating all the facts about purchasing ARS. Specifically, the materials did not contain adequate disclosure of all the risks of ARS, including adequately disclosing the risk that ARS auctions could fail, rendering the investments illiquid for substantial periods of time. The materials thus violated NASD Rules 2210, 2211, and 2110 and MSRB Rule G-21.

The Firm also failed to maintain adequate supervisory procedures and training concerning its sales and marketing of ARS. SunTrust RH failed to maintain policies and procedures that were reasonably designed to ensure that registered representatives accurately described ARS to customers and provided customers with full disclosure of the risks of ARS investments. As a result, SunTrust RH violated NASD Rules 3010 and 2110 and MSRB Rule G-27.

## **FACTS AND VIOLATIVE CONDUCT**

### **Background: Auction Rate Securities**

ARS are long-term securities with interest rates or dividend yields that are reset periodically through an auction process.<sup>2</sup> Historically, ARS were held mainly by institutional investors, but in recent years a retail market developed for these securities, with a typical minimum investment of \$25,000. Although the maturity periods of ARS range from five years to 30 years or more for debt obligations and no stated maturity for closed-end fund preferred shares, auctions provide the primary source of liquidity for ARS investors and typically occur every 7, 14, 28 or 35 days.

ARS can become illiquid when an auction fails. ARS auctions fail when the supply of ARS being auctioned exceeds the demand for the securities in that auction. When an ARS auction fails, investors receive a penalty interest rate or dividend until the next auction but are unable to sell their securities at that time. As a result, ARS may not be appropriate for investors who have a short-term need for the funds they are investing.

Securities firms play different roles in the ARS market. An Underwriter brings the ARS to market as an intermediary for the issuer of the security. Securities firms can play different roles as an auction dealer after the initial placement or underwriting. A firm can be the lead manager, whereby it is responsible for collecting all the auction bids and presenting them to the Auction Agent, or a co-manager, whereby it is responsible for collecting auction bids of its own customers and presenting them to the lead manager. Because the lead manager collects all bids, it knows whether there are sufficient bids to cover all ARS offered for sale and can provide supporting bids to prevent an auction from failing. An Auction Agent, which can be a bank, conducts the ARS auction by collecting orders from broker-dealers, determining the "clearing rate" – the highest rate accepted in the auction that becomes the interest or dividend rate that applies until the next auction, and calculating the allocation of the securities among Auction Dealers. An Auction Dealer or Remarketing Agent is a broker-dealer that solicits bids for the securities from their customers, submits them to the Auction Agent and usually receives a fee paid by the issuer. Firms acting in these capacities are sometimes known as "upstream" firms.

In contrast to upstream firms, firms sometimes known as "downstream" firms do not act as agents for issuers in any capacity. Instead, downstream firms act in the traditional broker role as agents for their customers and place bids with Auction Dealers and Remarketing Agents on the customers' behalf to purchase and sell ARS. Downstream firms are paid fees by Auction Dealers and Remarketing Agents (which may vary by dealer and type of security) for effecting trades in ARS held in dealers' inventories.

Beginning in May 2006, the Securities and Exchange Commission brought a series of enforcement actions against underwriters, auction dealers and auction agents in the ARS market.<sup>3</sup> During the summer of 2007, certain ARS began to fail, and by February

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<sup>2</sup> The primary types of ARS are municipal bonds, student loan-backed auction rate certificates issued by trusts that hold student loans, and preferred shares issued by closed-end funds and collateralized by the assets in the funds.

<sup>3</sup> See Bear Stearns & Co., Inc.; Citigroup Global Markets, Inc.; Goldman Sachs & Co.; J.P. Morgan Securities, Inc.; Lehman Brothers Inc.; Merrill, Lynch Pierce, Fenner & Smith Inc.

2008, ARS auctions failed on a widespread basis. Many of those failures have continued until the present time, notwithstanding that certain ARS issuers redeemed particular ARS in the period since the widespread failures. Nevertheless, many investors, including those who need access to their funds, continue to be unable to sell their ARS holdings.

### **ARS ACTIVITIES BY SUNTRUST RH**

During all relevant times, SunTrust RH acted as an upstream firm. It was the lead manager on 36 issues, accounting for approximately \$1.3 billion in par value. The ARS that SunTrust RH originated consisted primarily of municipal ARS. SunTrust RH was the co-manager on 74 issues, accounting for approximately \$4.5 billion in par value. SunTrust RH was also a downstream firm, serving as agent for its customers and placing bids on behalf of its customers to purchase and sell ARS.

As of February 28, 2008, approximately \$1.6 billion of ARS were held in customer accounts at SunTrust RH. SunTrust RH placed supporting bids in auctions that it was lead manager on, but stopped placing supporting bids on February 14, 2008. Following the ARS failures in February 2008, SunTrust RH began to repurchase ARS on a customer-by-customer basis and broadened its buyback in December 2008. To date, SunTrust RH has repurchased approximately \$381 million of ARS from certain customers.

### **VIOLATIONS**

#### **SunTrust RH Made Misrepresentation and Omissions of Material Facts in Violation of NASD Rule 2110 and MSRB Rule G-17**

During the period from late summer 2007 through February 2008, management at SunTrust RH became aware that the credit crisis and other deteriorating market conditions had begun to strain the ARS market, thereby increasing the risk that ARS auctions could fail and render ARS illiquid. Specifically, during this period, SunTrust RH became aware that auctions in some segments of the market were failing, monoline insurance companies that guaranteed timely repayment of bond principal when an issuer defaulted were beginning to experience credit problems, interest rates were rising, and inventories of ARS were increasing as ARS dealers took on larger amounts of unsold ARS and were unable to resell them. In response to these stresses, SunTrust RH held four calls with its sales representatives to address some of the ARS market conditions.

As these stresses increased in the late Fall 2007 to early 2008, SunTrust RH began to examine whether it had the financial capability to support all ARS in which it acted as the sole or lead broker-dealer in the event of a major market disruption. At the same time,

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Morgan Stanley & Co. Inc. and Morgan Stanley DW Inc.; RBC Dain Rauscher Inc.; Banc of America Securities LLC; A.G. Edwards & Sons, Inc.; Morgan Keegan & Co., Inc.; Piper Jaffray & Co.; SunTrust Capital Markets Inc.; and Wachovia Capital Markets, LLC (Securities Act of 1933, Release No. 53888, May 31, 2006); Deutsche Bank Trust Company Americas, the Bank of New York, and Wilmington Trust Co. (Securities Act of 1933, Release No. 8767, January 9, 2007); Citigroup Global Markets, Inc., successor by merger to Legg Mason Wood Walker Inc. (Securities Exchange Act of 1934, Release No. 55712, May 7, 2007); and First Southwest Company (Securities Exchange Act of 1934, Release No. 57869, May 27, 2008).

SunTrust RH's parent company, which provided working capital to SunTrust RH, and in reaction to the overall credit crisis then occurring in the market, began asking SunTrust RH to reduce its usage of such capital.

While the Firm held four sales calls with its sales force in late 2007 and 2008 to apprise its sales representatives of certain market developments affecting ARS, including the recent auction failures, monoline credit issues, and rising inventories at other dealers, the Firm did not adequately disclose to its sales representatives SunTrust RH's increased concerns about its ability to support SunTrust RH-led ARS issues, or whether SunTrust RH could or would continue to support these SunTrust RH-led ARS issues, as it had in the past.

In addition, with knowledge of SunTrust RH's potential inability to continue to support the SunTrust RH-led ARS issues in the event of an ARS market collapse, SunTrust RH encouraged its sales representatives to sell SunTrust RH-led ARS issues in order to manage or reduce the Firm's inventory.

As a result, certain SunTrust RH sales representatives continued to sell SunTrust RH-led ARS issues as safe and liquid, representing that SunTrust RH would place supporting bids to prevent an auction failure and/or that SunTrust RH would provide liquidity between auctions.

By reason of the foregoing conduct, SunTrust RH violated NASD Rule 2110 and MSRB Rule G-17.

**SunTrust RH Shared Material**  
**Non-Public Information in Violation of MSRB Rule G-17**

During all relevant times, SunTrust RH had a line of credit with the Bank that it used, in part, to support SunTrust RH-led auctions in order to prevent them from failing. By the end of 2007, as the ARS market began to deteriorate, certain personnel at SunTrust RH, including the head of the ARS trading desk, had grown concerned that the Firm might not have the capacity to support all SunTrust RH-led auctions from potential failure. In February 2008, given the market disruptions and capital constraints described above, SunTrust RH began to examine with the Bank whether and how the Firm could continue to support SunTrust RH-led auctions in the event there were widespread customer liquidations. In connection with this effort, the Firm created a list identifying issuers *whose ARS auctions the Firm would support with its limited capital in such an event.*

Around this same time, the Bank began exploring investing in ARS as an arms-length investor for its investment portfolio. In connection with the Bank's interest, SunTrust RH gave the Bank the same information it gave other investors regarding ARS, including available ARS issues, dates of auctions, par amounts, rates, insurance ratings and tax status. On February 13, 2008, SunTrust RH gave the Bank a version of the list described above but negligently included additional information relating to the possible refinancing or restructuring of SunTrust RH-led ARS issues. Some of this information was not publicly available to other investors and was material. Although the Firm had policies and procedures that were reasonably designed to limit or contain the flow of material non-public information between it and its affiliates, the Firm breached these policies and procedures in providing the Bank with this information.

By reason of the foregoing, SunTrust RH shared material non-public information with the Bank in violation of MSRB Rule G-17.

**SunTrust RH Had Communications with the Public  
That Were Not Fair and Balanced in Violation of  
NASD Rules 2210, 2211 and 2110 and MSRB Rule G-21**

NASD Rule 2210(d)(1)(A) requires that:

All member communications with the public shall be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry or service.

NASD Rule 2211 provides that materials distributed to registered or associated persons must also meet the requirements of NASD Rule 2210(d)(1) and MSRB Rule G-21 governs advertisements relating to municipal securities.

SunTrust RH violated NASD Rules 2210 and 2211 and MSRB Rule G-21 by using certain materials with customers and prospective customers that were not fair and balanced and did not provide a sound basis for evaluating the facts in regard to purchases of ARS.

Some of the Firm's materials disclosed that auctions could fail but did not adequately disclose all of the risks associated with ARS, including the risk that investments in ARS could become illiquid for substantial periods of time. Some materials used by SunTrust RH also made misleading comparisons between ARS and other materially different investments.

For example:

In sales literature entitled "Auction Rate Securities", the Firm stated that ARS provided investors with the "flexibility of a money market instrument, while at the same time offering a variety of rating options." This description provided an incomplete comparison between ARS and money market instruments, ignored certain material differences that existed between them, and failed to adequately disclose all of the risks described above of investing in ARS.

The same piece of sales literature stated that the Firm "can make a secondary market for the bonds to avoid a failed auction," thereby appearing to offer assurances that the Firm would make a secondary market to cure auction failures. Since the Firm failed to do so, this statement is misleading. Additional language in that same section implied that a failed auction will be beneficial to the investor by stating that "the issuer pays an above-market rate" in the event of a failure without adequately disclosing the negative impact of failed auctions including the lack of liquidity and other risks described above associated with investing in ARS.

In addition, under the "Our Obligation in an Auction" heading of a version of the "Auction Rate Securities" piece, language that the Firm's obligations were "no more extensive than normal dealer obligations governed by law" was vague and the document

mistakenly stated that the Firm "is under an obligation to make an orderly market," despite the fact that the Firm stated in other materials that it was under no such obligation.

As a result of the foregoing, SunTrust RH violated NASD Rules 2210 and 2211 and MSRB Rule G-21 and, as a result, also violated NASD Rule 2110.

**SunTrust RH Had Inadequate Supervisory Procedures and  
Failed to Adequately Train Its Sales Representatives in Violation of  
NASD Rules 3010 and 2110 and MSRB Rule G-27**

NASD Rule 3010 requires each member firm to establish and maintain a system, including written procedures, to supervise the activities of its employees that is reasonably designed to achieve compliance with the federal securities laws and NASD rules.

MSRB Rule G-27 requires each broker, dealer and municipal securities dealer to supervise the conduct of its municipal securities activities to ensure compliance with MSRB rules and the federal securities laws, and requires each firm to establish and maintain a system, including written procedures, to supervise municipal securities activities that is reasonably designed to achieve compliance with the federal securities laws and MSRB rules.

SunTrust RH did not establish and maintain adequate procedures that were reasonably designed to ensure that it marketed and sold ARS in compliance with the federal securities laws and applicable NASD and MSRB rules. Thus, despite holding four calls with its sales force in late 2007 and 2008, discussing issues such as the auction failures in Summer 2007, rising inventories at other dealers and monoline insurer concerns, SunTrust RH failed to maintain procedures reasonably designed to ensure that its registered representatives were adequately trained and accurately described ARS to customers. As such, certain sales representatives sold SunTrust RH-led ARS as safe and liquid, representing that SunTrust RH would place supporting bids to prevent an auction failure and/or that SunTrust RH would provide liquidity between auctions.

SunTrust RH also failed to establish and maintain procedures that were reasonably designed to ensure that the written materials it used in connection with the marketing and sale of ARS complied with the appropriate disclosure standards in NASD Rules 2210 and 2211 and MSRB Rule G-21.

As a result of the foregoing, SunTrust RH violated NASD Rule 3010 and MSRB Rule G-27 and, as a result, violated NASD Rule 2110.

**OTHER FACTORS**

In determining the appropriate sanctions in this matter, FINRA notes that SunTrust RH has addressed some of the harm sustained by its customers as a result of the illiquidity in the ARS market. Specifically, following the ARS failures in February 2008, SunTrust RH repurchased ARS on a customer-by-customer basis. In December 2008, SunTrust RH voluntarily commenced a broader buyback of ARS, including offering to buy back all ARS purchased prior to February 28, 2008, that consistently failed following that date, from certain customers who held ARS in Firm accounts or who had purchased ARS from

SunTrust RH and had transferred the account to another broker-dealer. To date, SunTrust RH has repurchased approximately \$381 million in ARS from these customers, and each repurchase was made at par.

In addition, SunTrust RH has agreed to address the illiquidity sustained by customers and former customers as described below.

### **SANCTIONS**

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

1. A censure;
2. A fine in the amount of \$4,600,000.00 (\$2,350,000 of which pertains to the violations of MSRB Rules G-17, G-21, and G-27).

Respondent agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. Respondent 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 monetary sanction(s) imposed in this matter.

### **Buyback Offer**

SunTrust RH further agrees to the following undertaking:

3. SunTrust RH has completed its voluntary repurchase at par of ARS that were subject to auctions that consistently failed during the period from February 28, 2008 through November 24, 2008, and are not subject to current calls or redemptions ("Eligible ARS") from certain ARS investors as described below ("Relevant Class"), who purchased ARS from SunTrust RH at any time prior to February 28, 2008.
4. Natural persons are part of the Relevant Class, as well as the following entities:
  - a. Any account with the following beneficial owner:
    1. non-profit charitable organizations; and
    2. religious corporations or entities.
  - b. Any accounts with the following beneficial owner the value of which did not exceed \$10 million as of February 29, 2008:
    1. trusts;
    2. corporate trusts;
    3. corporations;
    4. employee pension plans/ERISA and Taft Hartley Act plans;
    5. educational institutions;

6. incorporated non-profit organizations;
  7. limited liability companies;
  8. limited partnerships;
  9. non-public companies;
  10. partnerships;
  11. personal holding companies; and
  12. unincorporated associations.
5. Commencing no later than six months from the date the AWC in this matter is accepted by FINRA, SunTrust RH agrees to continue to make its best efforts to provide liquidity to all *other* investors not in the Relevant Class but who purchased ARS from SunTrust RH. Such best efforts, which may include, but are not limited to, offers to purchase ARS and/or offers of low or no-interest loans, extended on the basis of reasonable and customary credit standards, shall be completed no later than sixty (60) days following commencement of the best efforts.

#### Relief for Investors in the Relevant Class Who Sold Below Par

6. No later than six months from the date the AWC in this matter is accepted by FINRA, any investor in the Relevant Class that SunTrust RH can reasonably identify who sold ARS below par between February 28, 2008 and the date the AWC in this matter is accepted by FINRA, will be paid the difference between par and the price at which the investor sold the ARS.

#### Consequential Damages Claims

7. SunTrust RH agrees to arbitrate claims for consequential damages filed by investors in the Relevant Class relating to ARS through a Special Arbitration Program (SAP) in accordance with rules set forth by FINRA Dispute Resolution under the authority of this AWC. Such rules are issued and available to SunTrust RH and investors through FINRA's web site. No later than sixty days following the date of this AWC, SunTrust RH shall notify investors in the Relevant Class that they are eligible to seek consequential damages related to ARS through the SAP. This process is voluntary on the part of qualifying investors and does not preclude those investors who elect not to participate in the SAP from pursuing other available remedies. Arbitration under the SAP shall be conducted by a single public arbitrator, unless the claim for consequential damages is \$1,000,000 or greater, in which case, a panel of three public arbitrators may be appointed if both parties agree.
8. Any investors who choose to pursue such claims shall bear the burden of proving that they suffered consequential damages and that such damages were caused by investors' inability to access funds consisting of investors' ARS purchases through SunTrust RH. SunTrust RH shall be able to defend itself against such claims provided, however, solely for the purposes of the SAP, SunTrust RH shall not contest liability related to the sale of ARS; and provided further that SunTrust RH shall not be able to use as part of its defense an investor's decision not to sell ARS holdings prior to the acceptance of this AWC nor the investor's decision not to borrow money from SunTrust RH if such loan facility was made available to ARS holders.

#### Reports Concerning Compliance with Settlement

9. SunTrust RH shall provide FINRA with a report no later than thirty (30) days following the date of this AWC setting forth (a) the names and account numbers of each ARS customer to whom the buyback offer was made, (b) an accounting of each instance in which such ARS customers accepted the buyback offer and sold ARS holdings to SunTrust RH, and (c) the names, account numbers, and an accounting of those customers paid pursuant to paragraphs 4 above. SunTrust RH shall also notify FINRA within thirty (30) days of the completion of the best efforts undertaking set forth above in paragraph 5 of the nature and results of such efforts. The accuracy of such reports shall be certified by the Chief Compliance Officer of SunTrust RH.

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

For good cause shown, and upon receipt of a timely written request from SunTrust RH, FINRA staff may extend any of the dates set forth above.

## **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 the Firm;
- 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 the Firm; and
- C. If accepted:
  - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the Firm;
  - 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. The Firm 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. The Firm 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.
- 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 SunTrust RH, 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 Respondent 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.

Date

6/23/11

By:  
Corporate

  
For SunTrust Robinson Humphrey, Inc.  
Hugh S. (Beau) Cummins, III  
Executive Vice President and  
Chief Executive Officer

Reviewed by:

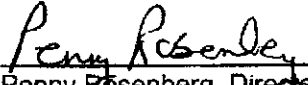
  
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Weil, Gotshal & Manges LLP  
1300 Eye Street NW, Suite 900  
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202-682-7070

Accepted by FINRA:

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

Date

6/29/11

  
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