

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008014617801**

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

RE: Scott A. Harwell, Respondent
General Securities Representative
[CRD No. 2126913]

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Scott A. Harwell, 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

Scott A. Harwell entered the securities industry on January 22, 1991 as a non-registered associated person of a former FINRA member firm. From February 15, 2006 through May 1, 2007, Harwell was associated with member firm Spike Financial Services, LLC ("Spike Financial") and was registered with FINRA under Article V of the By-Laws as a General Securities Representative. Following his registration with Spike Financial, Harwell was registered with another member firm from October 16, 2007 through August 15, 2008, as a General Securities Representative. Harwell is not currently registered with a FINRA member firm, but he remains subject to the jurisdiction of FINRA until August 14, 2010, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons.

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RELEVANT DISCIPLINARY HISTORY

Scott A. Harwell has previously been the subject of a formal disciplinary action by the State of Alabama, as follows:

On December 11, 2007, the State of Alabama Securities Commission issued Administrative Order No. CD-2007-0035, ordering Scott A. Harwell to Cease and Desist from offering or selling any security within or from the state of Alabama. After finding that Harwell had sold securities that were neither registered nor exempt from registration in the state of Alabama.

On August 7, 2009, Scott A. Harwell entered a guilty plea accepted by the State of Alabama wherein the Mobile County Circuit Court Case No. CC-09-522 found that Harwell had violated *Code of Alabama 1975* §8-6-4 for selling an unregistered security, §8-6-17(a)(2) for engaging in the offer, sale or purchase of a security in the State of Alabama which operated as a fraud upon persons of the State of Alabama; and §13A-8-3 for controlling monetary funds with the intent to deprive the owner of said property.

For these three felonies, the Court, on September 24, 2009, sentenced Harwell to twenty years imprisonment, split to serve five years, with five years of supervised probation to be served first in order that Harwell may pay restitution in the amount of \$166,702 to the injured parties.

OVERVIEW

While Harwell was associated with Spike Financial Services, LLC, he engaged in private securities transactions without providing prior written notice to, or receiving prior written approval from, his employer member firm, in violation of NASD Conduct Rules 2110 and 3040. Specifically, Harwell offered for sale and sold unregistered shares of stock in Bull or Bear Trading, Inc. Harwell also failed to respond to FINRA requests for information and documents regarding the outside business activities, in violation of NASD Procedural Rule 8210, NASD Conduct Rule 2110, and FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

1. During the period from on or about April 15, 2005, through on or about October 13, 2006, Scott A. Harwell, engaged in private securities transactions without providing prior written notice to, or receiving prior written approval from, his employer member firm. Specifically, Harwell offered for sale and sold unregistered shares of stock in Bull or Bear Trading, Inc. to five individuals, for which Harwell collected funds totaling approximately \$130,950.

Such acts practices and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3040 by Scott A. Harwell.

2. By letters sent December 9, 2008, February 3, 2009, and April 27, 2009, FINRA staff requested Scott A. Harwell to provide certain information to the staff concerning activities described in paragraph 1 above. The request for information dated December 9, 2008, was sent to Harwell pursuant to, and in accordance with, the provisions of NASD Procedural Rule 8210. The requests dated February 3, 2009, and April 27, 2009, were sent to Harwell pursuant to, and in accordance with, the provisions of FINRA Rule 8210. Harwell failed to respond to the requests for information.

Such acts practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and NASD Procedural Rule 8210 and FINRA Rules 2010 and 8210.

- B. I also consent to the imposition of the following sanctions:

A bar of Scott A. Harwell 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 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.

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 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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.

3/3/10
Date

Scott A. Harwell
Scott A. Harwell, Respondent

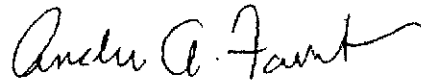
Counsel for Respondent

Accepted by FINRA:

April 12, 2010

Date

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



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