

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090163574**

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

RE: B.C. Ziegler and Company. (CRD No. 61)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, B.C. Ziegler and Company ("B.C. Ziegler" or "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 me 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

B.C. Ziegler became registered with FINRA in January 1948. The firm is also a member of MSRB. It conducts a general securities business on a fully disclosed basis. The firm's registration remains currently in effect. In November 2005, the firm was the subject of a disciplinary proceeding (20050001882), in which it was censured and fined \$15,000 with regard to TRACE reporting violations and supervisory violations arising from TRACE reporting.

OVERVIEW

B.C. Ziegler violated Rule 6730 when it failed to report certain TRACE-eligible transactions to TRACE.

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FACTS AND VIOLATIVE CONDUCT

- A. 1. FINRA Rule 6730 generally provides that a firm must report TRACE-eligible transactions to TRACE within 15 minutes of the time of execution.
2. Between June and November 2009, the firm failed to report to TRACE the execution of 1,271 TRACE-eligible transactions pertaining to certain "church" bonds.
3. The conduct described in paragraph two constitutes separate and distinct violations of FINRA Rule 6730.

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

A censure and fine in the amount of \$10,000.

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 Formal Complaint issued specifying the allegations against it;
- B. To be notified of the Formal 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 it; 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 it;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent'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.

- 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.

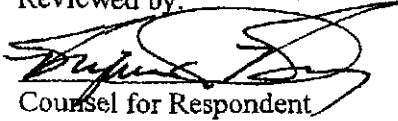
Respondent certifies that it has read and understands all of the provisions of this AWC and that it has been given a full opportunity to ask questions about it; that it has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce Respondent to submit it.

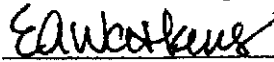
B.C. Ziegler and Company

October 28, 2010

Date

Reviewed by:


Counsel for Respondent

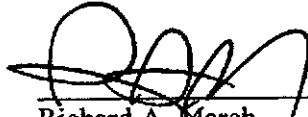


Elizabeth A. Watkins
Chief Compliance Officer

Accepted by FINRA:

10/29/10
Date

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



Richard A. March
Senior Regional Counsel
FINRA Department of Enforcement
55 West Monroe Street, Suite 2700
Chicago, IL 60603
(312)899-4351

October 28, 2010
Examination No. 2009-0163574

Statement of Corrective Action

This Statement of Corrective Action is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

This matter was originally identified during a routine examination of B.C. Ziegler and Company (Ziegler) in October 2009. Before FINRA Enforcement staff began its review of the matter, our staff began working with TRACE Operations and our clearing firm, Pershing, to establish the policies and procedures necessary to appropriately report church bond trades to TRACE within the prescribed time frame.

After providing TRACE Operations a complete list of all CUSIPs for church bonds in which Ziegler served as the underwriter on October 23, 2009, TRACE Operations confirmed back to us that all CUSIPs were set up on TRACE on November 16, 2009. From that point forward the required secondary market transactions have been reported in a timely manner.