

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090166914**

**To: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)**

**Re: Fintegra, LLC
CRD No. 16741**

RECEIVED
DEC 20 2011
FINRA District 4

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Fintegra, LLC 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 FINRA accepts the AWC, it will not bring any future actions against Fintegra alleging violations based on the same factual findings described herein.

I. ACCEPTANCE AND CONSENT

- A. Fintegra 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

Fintegra has been a FINRA registered broker-dealer since March 1986. Fintegra conducts a general securities business, with its principal office located in Minneapolis, Minnesota.

Relevant Disciplinary History

Fintegra has not been the subject of formal FINRA disciplinary action.

Overview

Fintegra had an inadequate supervisory system to detect and prevent misconduct by its brokers with regards to mutual fund purchases. Fintegra also failed to supervise certain private securities transactions. Finally, Fintegra failed to timely amend Form U4s for its brokers to disclose customer complaints and failed to submit timely and accurate statistical and summary information for customer complaints. Through this conduct, Fintegra violated NASD Conduct Rules 3010, 3070 and 2110; Article V, Section 2 of the NASD By-Laws; and FINRA Rule 2010.

Facts and Violative Conduct

Inadequate Supervision of Mutual Fund Transactions
NASD Conduct Rules 3010 and 2110

Many mutual funds are sold with a fee called a front-end load. An investor may receive a discount on a front-end load by purchasing certain amounts of mutual funds from the same mutual fund company. The investment levels at which the discounts become available are typically referred to as breakpoints.

A right of accumulation gives an investor a discount on the front-end load for the current mutual fund purchase by combining the current and previous mutual fund transactions with the same mutual fund company to reach a breakpoint. For many mutual fund companies, if an investor reaches the \$1 million breakpoint, the front-end load is waived.

From July 2005 through July 2008, three Fintegra brokers executed 709 mutual fund purchases for 267 customers and designated all of these transactions as being eligible for a waiver of the front-end load based on a \$1 million right of accumulation. However, none of these purchases qualified for this waiver. The customers purchased a total of \$14,230,255.38 of mutual funds with no front-end loads when all of the transactions should have included a front-end load. As a result, the Fintegra brokers deprived the mutual fund companies of fees to which they were otherwise entitled. Their actions also caused Fintegra's books and records relating to these mutual fund purchases to contain false information.

The brokers circumvented Fintegra's oversight of the front-end loads owed by customers on mutual fund purchases. Fintegra's supervisory system was inadequate to detect and prevent this misconduct.

By having a supervisory system that was not reasonably designed to achieve compliance with the securities laws and regulations, Fintegra violated NASD Conduct Rules 3010 and 2110.

Failure to Supervise Private Securities Transactions
NASD Conduct Rules 3010 and 2110

From October 2007 through December 2008, eight Fintegra brokers sold three private placements of approximately \$1,935,000 in Goldstar Private Capital Fund 1, Goldstar Opportunity Fund 2 and in Property 49. These sales were conducted through the representatives' Registered Investment Adviser (RIA), which was not affiliated with Fintegra. Fintegra had approved the outside RIA as an outside business activity. Fintegra did not recognize that the private placement sales were actually private securities transactions. Fintegra therefore failed to obtain further information about the sales, which was necessary to review and approve these sales and to supervise them as private securities transactions. Fintegra also failed to ensure that these sales were recorded on its books and records as private securities transactions.

Through this conduct, Fintegra violated NASD Conduct Rules 3010 and 2110.

Failure to Timely Amend Form U4s to Disclose Customer Complaints
Article V, Section 2 of the NASD By-Laws, NASD Conduct Rule 2110
and FINRA Rule 2010

On nine occasions from August 7, 2007 through March 26, 2009, Fintegra failed to timely amend its brokers' Form U4s to disclose the receipt of customer complaints against them.

Through this conduct, Fintegra violated Article V, Section 2 of the NASD By-Laws, NASD Conduct Rule 2110 and FINRA Rule 2010.

Failure to Submit Timely and Accurate Information
NASD Conduct Rules 3070 and 2110 and FINRA Rule 2010

On eighteen occasions from March 18, 2008 through March 26, 2009, Fintegra failed to submit timely and accurate statistical and summary information for customer complaints against the firm and its brokers.

Through this conduct, Fintegra violated NASD Conduct Rules 3070 and 2110 and FINRA Rule 2010.

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

1. A censure; and
2. A fine of \$25,000.

Fintegra agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Fintegra has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Fintegra specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

II. WAIVER OF PROCEDURAL RIGHTS

Fintegra specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Fintegra;
- 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, Fintegra 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.

Fintegra 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

Fintegra 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 Fintegra; and
- C. If accepted:
 - 1. this AWC will become part of Fintegra's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Fintegra;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Fintegra'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. Fintegra 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. Fintegra 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 Fintegra's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Fintegra may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Fintegra 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.

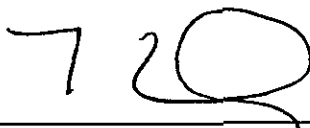
The undersigned, on behalf of Fintegra, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to its provisions voluntarily; and that no offer, threat, 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 Fintegra to submit it.

FINTEGRA, LLC

Date: 12/14/11

By: 
Doreen Weber, Chief Executive Officer

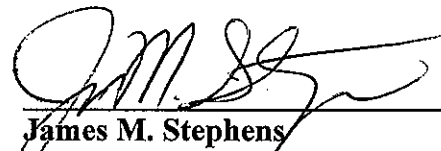
Reviewed by:


Counsel for Fintegra, LLC

Accepted by FINRA:

1-4-12
Date

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

By: 
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