

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090174432-01**

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

RE: Dawson James Securities, Inc.
Broker-Dealer
CRD No. 130645

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Dawson James Securities, Inc. (the "firm") 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. The firm 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

The firm has been a member of FINRA since August 6, 2004, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

The firm has no relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

In Market Regulation Review Nos. 20090174432 and 20090209715, respectively, FINRA's Fixed Income Investigations staff from the Department of Market Regulation conducted reviews of the firm's compliance with fair pricing requirements during the period between October 1, 2008 and December 31, 2008 ("fair pricing review period"), and best execution requirements

during the period between January 1, 2009 and March 31, 2009 ("best execution review period"), applicable to corporate bond transactions reported to the Trade Reporting and Compliance Engine ("TRACE").

In connection with Review No. 20090174432,

1. During the fair pricing review period, in six transactions, the firm sold (or bought) corporate bonds to (or from) a customer and failed to sell (or buy) such bonds at a price that was fair, taking into consideration all relevant circumstances, including market conditions with respect to each bond at the time of the transaction, the expense involved and that the firm was entitled to a profit. The transactions are identified on Exhibit A, which is attached hereto. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rule 2110 (prior to December 15, 2008), FINRA Rule 2010 (on and after December 15, 2008), NASD Rule 2440 and IM-2440.

In connection with Review No. 20090209715,

2. During the best execution review period, in eight transactions in TRACE-eligible securities for or with a customer, the firm failed to use reasonable diligence to ascertain the best inter-dealer market and failed to buy or sell in such market so that the resultant prices to its customers were as favorable as possible under prevailing market conditions. The transactions are identified on Exhibit B, which is attached hereto. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rule 2320 and FINRA Rule 2010.

B. The firm also consents to the imposition of the following sanctions:

A censure and a total fine of \$12,500 (consisting of \$5,000 for the fair pricing findings involving NASD Rule 2440 and IM-2440, and \$7,500 for the best execution findings involving NASD Rule 2320).¹

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

The firm 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.

¹ The firm already paid restitution to its affected customers in connection with the transactions identified on Exhibits A and B accompanying this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm 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, the firm 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.

The firm 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

The firm 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 the firm'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 the firm's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm 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 the firm, 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 the AWC's 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.

8/1/2013
Date

Respondent
Dawson James Securities, Inc.

By: C. Meth

Name: Cary Elliot Meth
Chief Compliance Officer
Title: _____

Reviewed by:

GB
Gregg Breitbart, Esq.
Counsel for Respondent
Kaufman Dolowich & Voluck, LLP
One Boca Place
2255 Glades Road, Suite 300E
Boca Raton, FL 33431
Phone: 561-910-5651

Accepted by FINRA:

8/20/2013
Date

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

E. S. Brown
Eric S. Brown
Chief Counsel
Department of Market Regulation

EXHIBIT A

Trade Date	Issue	Qty	Trade 1 Time	Trade 1 Price	Trade 2 Time	Trade 2 Price	Markup/Markdown
12.1.08	MS.QG	20	11:49	\$99.25	11:50	\$96.10	3.17%
12.2.08	F.GLY	288	15:29	\$59	15:30	\$56.99	3.41%
12.5.08	AIG.GCK	140	14:04	\$93	14:04	\$90	3.33%
12.8.08	AIG.GCK	320(B) 275(S)	11:08	\$90	11:42	\$93	3.33%
12.11.08	CIT.JW	20	13:33:32	\$88	15:35	\$92.15	4.72%
12.18.08	AIG.GCK	23	11:47	\$92	11:49	\$88.89	3.40%

EXHIBIT B

Trade Date	Issue	Qty	Trade Price
02/04/2009	AIG.GHZ	12	\$77.75
02/09/2009	AIG.GJT	10	\$89.30
01/14/2009	AIG.GQA	15	\$82.95
01/14/2009	AIG.GQA	30	\$82.60
01/14/2009	AIG.GQA	5	\$83.35
01/14/2009	AIG.GQA	10	\$83.05
01/14/2009	AIG.GQA	5	\$83.35
02/20/2009	S.HC	10	\$93.896