

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090178305-01**

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

RE: Pritchard Capital Partners, LLC (TPCP)
Broker-Dealer
CRD No. 100480

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Pritchard Capital Partners, LLC (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 became a member of FINRA on March 14, 2000, and its registration remains in effect. The firm has no relevant disciplinary history.

SUMMARY

This matter is the result of a review by the Department of Market Regulation's OATS Operations Team of the firm's compliance with rules applicable to the Order Audit Trail System ("OATS") during the period January 1, 2008 to September 30, 2010 (the "review period").

FACTS AND VIOLATIVE CONDUCT

1. During the review period, the firm failed to transmit 4,502 Reportable Order Events ("ROEs") to OATS on 492 business days. These 4,502 ROEs represented 27.35% of all ROEs (16,457) that the firm was required to transmit to OATS during the review period. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rule 6955 (for conduct prior to December 15, 2008) and FINRA Rule 7450 (for conduct on or after December 15, 2008).
2. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of FINRA, concerning OATS Reporting. Specifically, the firm's supervisory systems did not include written supervisory procedures providing for: (1) a statement of the supervisory steps to be taken by the persons responsible for supervision of the applicable rules; and (2) a statement as to how often such persons should take such steps. The conduct described in this paragraph constitutes violations of NASD Rules 2110 and 3010 (for conduct prior to December 15, 2008) and FINRA Rule 2010 and NASD Rule 3010 (for conduct on or after December 15, 2008).

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

A censure, a fine of \$10,000 (\$5,000 for OATS reporting and \$5,000 for supervision), and an undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraph A.2. Within 30 days of acceptance of this AWC by the National Adjudicatory Council ("NAC"), a registered principal of the firm shall submit to the **COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850**, a signed, dated letter, or an e-mail from a work-related account of the registered principal to *MarketRegulationComp@finra.org*, providing the following information:

- (1) a reference to this matter;
- (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraph A.2; and
- (3) the date the revised procedures were implemented.

The firm agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payments are due and payable. The firm has submitted an Election of Payment form showing the method by which it propose 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 sanctions imposed in this matter.

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

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 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 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 firm certifies that it has read and understand 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 the firm to submit it.

05.16.2011
Date

Respondent
Pritchard Capital Partners, LLC

By: [Signature]
Name: MARY L. WELLS
Title: CHIEF COMPLIANCE OFFICER

Reviewed by:

[Signature]
Counsel for Respondent

Accepted by FINRA:

6/14/11
Date

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

[Signature]
Thomas R. Gira
Executive Vice President
Department of Market Regulation



Member FINRA/SIPC

New Orleans • New York • Atlanta • Washington, D.C. • Houston

May 16, 2011

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

**Re: Statement of Corrective Action
STAR No. 20090178305**

This Corrective Action Statement 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.

To Whom It May Concern:

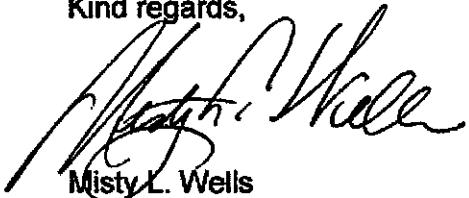
We at Pritchard Capital Partners, LLC ("PCP") offer the following as a Statement of Corrective Action relating to the AWC in the above referenced matter.

The Compliance Department has amended the supervisory procedure for reviewing the entries of the submission of its OATS reportable trading events. The documentary method used during the review period of the above referenced matter is continuing to be used to detect and correct OATS entry rejections. The amended procedure adds the advent of an OATS Event spreadsheet that assists in the management of the data submitted and is used as a tool by both trading desk and compliance personnel for real-time and historical review of the data. Trading Desk personnel maintains this spreadsheet and Compliance personnel compares the data in the spreadsheet to the data provided by FINRA OATS Compliance Monthly Report Card.

Additionally, PCP has established a new clearing arrangement, Execution Management System ("EMS") and Order Management System ("OMS") with Assent, LLC through SunGard. Going forward, PCP expects the OATS events reported by its trading desk, rather than a third-party, to be significantly reduced if not all together eliminated. PCP expects the execution quality of Assent, LLC to be superior to its previous EMS provider, thereby, requiring fewer OTC trades to be executed through Bloomberg

Tradebook. PCP will continue using its amended supervisory procedure where necessary and to review the OATS submissions made by a third-party.

Kind regards,

A handwritten signature in black ink, appearing to read 'Misty L. Wells', written over the printed name.

Misty L. Wells
Chief Compliance Officer
Pritchard Capital Partners, LLC