

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090189852 01**

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

RE: Harold David Criswell, Respondent
General Securities Representative and General Securities Sales Supervisor
CRD No. 1503161

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

Harold David Criswell entered the securities industry on February 1, 1986. From January 4, 1999, to March 27, 2009, Criswell was registered as a General Securities Representative and Limited Principal – General Securities Sales Supervisor with Raymond James Financial Services, Inc. ("RJFS"). Criswell was the Branch Manager and owner of the RJFS branch in West Chester, Ohio. The West Chester branch operated as an independent contractor of RJFS. Criswell is currently registered as a General Securities Representative and Limited Principal – General Securities Sales Supervisor with another FINRA member.

OVERVIEW

RJFS's Anti-Money Laundering Program provided that Branch Managers like Criswell were to report red flags and suspicious activity to RJFS's AML Officer. Criswell failed

to report red flags and suspicious activity in the account of an RJFS customer, JR, who was later determined to have been operating a Ponzi scheme. By failing to implement RJFS's AML procedures, Criswell violated NASD Conduct Rule 3011(a), and, by virtue of that violation, NASD Conduct Rule 2110.

FACTS AND VIOLATIVE CONDUCT

RJFS's Anti-Money Laundering Program provided that RJFS employees were to report any red flags they detected to the firm's Anti-Money Laundering Officer. In addition, RJFS's Anti-Money Laundering Program provided that Branch Managers, like Criswell, were responsible for "immediately reporting suspicious activity to the firm's Anti-Money Laundering Officer as detected, identifying red flags, and cooperating with RJFS's home office regarding related inquiries." The Program also provided that Branch Managers were responsible for "understanding the current Anti-Money Laundering Program and ensuring that all branch associates including non-registered personnel in the branch are knowledgeable in detecting and reporting [illegal money movements]" and "other activities related to money laundering in accordance with the United States Patriot Act."

JR was a client of RJFS registered representative TD. Criswell was TD's supervisor and Branch Manager. When TD was unavailable, Criswell interacted directly with JR, who was a very frequent trader.

On July 6, 2007, the Ohio Division of Securities filed a complaint to place JR's assets into receivership after it determined that JR was operating a Ponzi scheme. On July 17, 2007, JR pleaded guilty to first degree felonies for selling unregistered securities, perjury, and forgery. JR was sentenced to 20 years in prison and ordered to pay \$17.8 million in restitution.

Before the Ohio Division of Securities filed its July 6, 2007 complaint against JR, Criswell learned of suspicious activity related to JR's accounts at RJFS. Criswell became aware of the following red flags indicating possible suspicious activity in JR's accounts:

- (1) JR's accounts at RJFS had been subpoenaed by the Ohio Division of Securities.
- (2) JR was under investigation by an Ohio Grand Jury.
- (3) JR had been named as a defendant in a civil complaint alleging that JR had converted funds from his deceased uncle and placed those funds into his RJFS account.
- (4) JR repeatedly questioned Criswell about the possibility of investing on behalf of others using his RJFS account.
- (5) JR had deposited at least 66 third-party stock certificates to his account.
- (6) A few days before the Ohio Division of Securities formally took action against JR, he told Criswell that he had admitted to the State of Ohio that he had committed fraud and that he expected to go to prison.

Criswell failed to report any of these facts to RJFS's AML Officer. Some of the facts described above were learned by Criswell through his direct interactions with JR and, accordingly, were known to Criswell but not by others at RJFS. These facts included JR's repeated questions about investing on behalf of others, JR's repeated deposits of third-party stock certificates, and JR's eventual admission that he had committed fraud and expected to go to prison. Even as to facts that were known by others at RJFS, Criswell had no reason to believe that RJFS's AML Officer was aware of them.

NASD Conduct Rule 3011(a) requires FINRA members to implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required by the Bank Secrecy Act and the implementing regulations thereunder.

As described above, the firm's Anti-Money Laundering Program required Criswell, as a Branch Manager, to report red flags and suspicious activity to RJFS's AML Officer. Criswell became aware of red flags indicating possible suspicious activity in JR's accounts. Criswell failed to report the red flags or suspicious activity to the firm's AML Officer, or to anyone else at RJFS who could assess them in connection with the firm's AML responsibilities. As a result, Criswell violated NASD Conduct Rule 3011(a). By virtue of his violation of NASD Conduct Rule 3011(a), Criswell also violated NASD Conduct Rule 2110.

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

- A 30-day suspension from association with any FINRA member in any principal capacity.
- A fine of \$10,000.

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

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member in a supervisory or principal capacity, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in a supervisory or principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because I am subject to a statutory disqualification during the suspension, if I remain associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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

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;

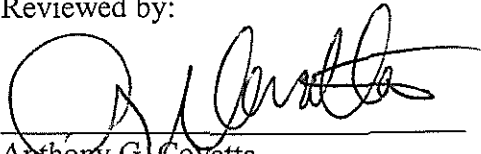
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
1. This AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against 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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

09/16/2011
Date (mm/dd/yyyy)


Harold David Criswell, Respondent

Reviewed by:

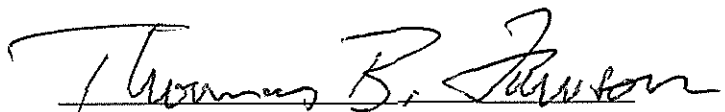


Anthony G. Covatta
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The Drew Law Firm
One West Fourth Street
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513-621-8210

Accepted by FINRA:

12/5/11
Date

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



Thomas B. Lawson
Vice President and Chief Counsel
FINRA Department of Enforcement
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Washington, DC 20006