

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009019040801**

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

RE: Ian Tracy, Respondent
CRD No. 5412080

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Ian Tracy ("Respondent" or "Tracy") 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 Respondent 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

Tracy first became registered with FINRA on October 17, 2007 as a general securities representative ("GSR") through an association with former member firm Vanthedgepoint Securities, LLC (BD No. 133097) ("Vanthedgepoint"). On March 13, 2008, Tracy's registration through Vanthedgepoint was terminated.

Thereafter, from March 17, 2008 through January 26, 2009, Tracy was registered through member firm Saratoga Capital Markets (BD No. 120888) ("Saratoga").

Since May 21, 2009, Tracy has been registered as a GSR through member firm Arcadia Securities, LLC (BD No. 44656) ("Arcadia").

Tracy is subject to FINRA jurisdiction because he is currently registered through a member firm.

RELEVANT DISCIPLINARY HISTORY

Tracy has no prior disciplinary history with the SEC, any self-regulatory organization or any state securities regulator.

OVERVIEW

Tracy willfully failed to disclose felony criminal charges on Uniform Applications for Securities Industry Registration or Transfer Form ("Form U4") that he completed at three separate firms.

On January 8, 2001, Tracy was charged with felonies in connection with a crime that allegedly occurred in St. Thomas, United States Virgin Islands, but the charges were dismissed against him. On June 2, 2008, Tracy was again the subject of felony charges arising from the same incident. Again, the charges were subsequently dismissed.

Tracy however, failed to report these charges in response to questions on Forms U4 that inquired as to whether he had ever been charged with any felony. Tracy also failed to amend his Form U4 after the 2008 Charges were filed.

FACTS AND VIOLATIVE CONDUCT

On January 8, 2001, Tracy was charged in the Territorial Court of the United Virgin Islands with two felonies (the "2001 Charges"). On November 27, 2001 the 2001 Charges were dismissed.

On June 2, 2008, Tracy was charged again in the Territorial Court of the Virgin Islands with five felonies (the "2008 Charges"). These charges stemmed from the same incident that precipitated the 2001 charges. On March 30, 2009, these charges were orally dismissed by the court. On August 13, 2009, the charges were dismissed pursuant to a written court order.

1. In connection with Tracy's registration through former member firm Vanthedgepoint, he executed a Form U4 that was submitted to FINRA on his behalf by Vanthedgepoint on or about August 24, 2007. Tracy willfully failed to disclose the 2001 Charges on his Vanthedgepoint Form U4.

2. In connection with Tracy's registration through member firm Saratoga, he executed a Form U4 that was submitted to FINRA on his behalf by Saratoga on or about March 17, 2008. Tracy willfully failed to disclose the 2001 Charges on this initial Form U4. Thereafter, Tracy willfully failed to amend his Form U4 while at Saratoga to report the 2008 Charges.

3. In connection with Tracy's registration through member firm Arcadia, he executed a Form U4 that was submitted to FINRA on his behalf by Arcadia on or about May 21, 2009. Tracy willfully failed to disclose both the 2001 Charges and the 2008 Charges on this Form U4.

By reason of the foregoing, Tracy acted in contravention of Article V, Section 2 of the FINRA By-Laws and NASD IM-1000-1, and thus violated NASD Conduct Rule 2110 and FINRA Rule 2010.

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

- A suspension in all capacities for a period of 90 days; and
- a fine of \$5,000.

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

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

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

Respondent understands that if he is barred or suspended from associating with any FINRA member, Respondent becomes 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, Respondent may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

Respondent understands that this settlement includes a finding that Respondent willfully omitted to state a material fact on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes Respondent subject to a statutory disqualification with respect to association with a member.

II.

WAIVER OF PROCEDURAL RIGHTS

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

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

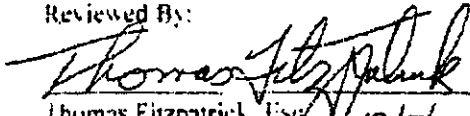
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 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 8311; 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 he 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 he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent 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.

12/05/2011
Date (mm/dd/yyyy)


Respondent Ian Tracy (CRD No. 5412080)

Reviewed By:

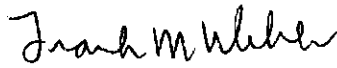

Thomas Fitzpatrick, Esq.
Counsel for Respondent 12/5/11

Accepted by FINRA:

December 19, 2011

Date

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



Frank M. Weber
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