

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090203071**

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

RE: Corey Vernon Darling
CRD No. 4005873

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Corey Vernon Darling ("Darling"), 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 Darling alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Darling 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:

OVERVIEW

During the period September 2005 to December 2008, Darling engaged in an outside business activity without providing written notice to his FINRA regulated broker-dealers. Darling also borrowed a total of \$218,484.28 from three customers while he was associated with FINRA regulated broker-dealers and without receiving required written pre-approval. Darling's activities violated NASD Rules 2370, 3030 and 2110.

BACKGROUND

Darling was born in [REDACTED] and became registered in the securities industry in September 1999. From February 2004 to December 2005, Darling worked at FINRA regulated broker-dealer, Crown Capital Securities, LP ("Crown Capital"). In January 2006 Darling became employed at KMS Financial Services, Inc. ("KMS Financial"), a FINRA regulated broker-dealer, where he worked until October 13, 2009. Darling is not currently associated with a member firm. He does not have any FINRA disciplinary history.

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FACTS AND VIOLATIVE CONDUCT

On October 27, 2005, while he was registered at Crown Capital and through the term of his employment at both Crown Capital and KMS Financial, Darling and other partners formed and operated a limited liability company named WIG for the purpose of securing and managing a commercial office building. Although Darling was WIG's managing member, Darling failed to provide notice to Crown Capital and/or KMS Financial of his outside business activity.

Darling also borrowed a total of \$218,484.28 from three customers while he was associated with FINRA regulated broker-dealers and without receiving required written pre-approval. During December 2008, Darling completed a KMS Financial compliance questionnaire that asked whether Darling had a debt obligation to non-institutional lender or person. Although Darling had borrowed funds and owed a debt obligation to SH, BA and LS, Darling falsely answered "no" to that question.

Such acts practices and conduct constitute violations of NASD Rules 3030, 2370 and 2110.

B. Darling also consents to the imposition of the following sanction:

An eighteen-month suspension from association with any FINRA member in all capacities.

On March 16, 2011, Corey Vernon Darling was granted a discharge in bankruptcy under Section 727 of Title 11, United States Code. Accordingly, no monetary sanction is being assessed in this matter.

Darling understands that if he is suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, Darling may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the suspension. (See NASD Rule 8310 and IM-8310-1.)

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Formal Complaint issued specifying the allegations against him;
- B. To be notified of the Formal 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, Darling 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.

Darling 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

Darling understands that:

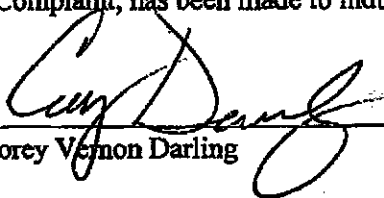
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against him; and
- C. If accepted:
 - 1. this AWC will become part of Darling's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;

2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about his 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. Darling 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. Darling 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 Darling's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. Darling may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Darling 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.

Darling certifies that he has read and understand all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he 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 him to submit it.

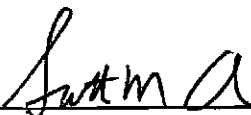
9/30/11
Date


Corey Vernon Darling

Accepted by FINRA:

09-30-11
Date

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


Susan Light, Senior Vice President and Chief Counsel
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