

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009020729101**

**To: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)**

**Re: Joanne L. Cramer
Financial and Operations Principal, General Securities Representative, General
Securities Principal and Municipal Securities Principal
CRD No. 2321956**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Joanne L. Cramer, 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

Joanne L. Cramer entered the securities industry in January 1993. From June 19, 1995 through September 17, 2009, Cramer was associated with FINRA broker-dealer Polar Investment Counsel, Inc. (Polar), as a financial and operations principal, general securities representative, general securities principal and municipal securities principal.

Although Cramer is not currently associated with any FINRA broker-dealer, FINRA retains jurisdiction over her pursuant to Article V, Section 4 of its By-Laws.

Relevant Disciplinary History

Cramer has no formal disciplinary history with FINRA.

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Overview

In September and October, 2009, Cramer conducted financial transactions on behalf of Polar and its parent company, Kodiak Group, Inc. (Kodiak), without proper authority. Cramer also misrepresented her authority to act on behalf of those businesses in communications with third parties.

Facts and Violative Conduct

On September 16, 2009, Polar, Kodiak, and Kodiak's defined-benefit plan terminated Cramer as an employee and officer of each of the three entities. Cramer received verbal and written notification of her termination at approximately 9:00 AM on September 17, 2009. The written termination notice states that her authority to withdraw or transfer funds on behalf of any of the three entities was immediately revoked. It also specifically instructed her to forward "any and all monies . . . that you have in your possession which have not been deposited, i.e. checks laying [sic] around your office" to the home office immediately.

Cramer first responded to her termination notice at 11:06 AM on September 17, 2009, when she faxed a copy of the termination notice bearing a "not approved" stamp to Polar's home office in Thief River Falls, Wisconsin. At 5:50 PM that day, Cramer sent Polar's president an e-mail stating that she would not comply with the termination notice.

After receiving her termination notice on September 17, 2009, Cramer sent a fax on firm letterhead instructing Polar's Bank to transfer \$3,075.00 from Polar's account to Kodiak's operating account. The bank processed the transaction (the "journal entry") according to Cramer's instructions. Cramer sent the fax at 11:37 AM and signed it as "Pres[ident]" of Polar and Kodiak. Cramer never held the office of President of either Polar or Kodiak.

The journal entry was necessary to cover a \$4,000.00 check dated September 17, 2009, payable to Cramer from Kodiak's operating account. Cramer wrote this check and presented it for payment on September 17, 2009.

At the time of her termination, Cramer was in possession of another check payable to her, this one in the amount of \$65,679.88 and written against the account of Kodiak's defined-benefit plan. This check was dated

September 15, 2009, but Cramer did not present it for payment until September 19, 2009.

On October 26, 2009, Cramer sent an e-mail to a representative of Polar's clearing firm requesting that an "inactivity fee" be reversed. Cramer closed the e-mail "Joanne Cramer, Polar/Kodiak Group," and made no reference to the fact that she no longer had a position with either Polar or Kodiak Group.

Through this conduct, Cramer violated FINRA Rule 2010.

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

- A one-month suspension from associating with any FINRA registered broker-dealer in any capacity,
- A six-month suspension from associating with any FINRA registered broker-dealer in the capacity of a Financial and Operations Principal (FINOP), and
- A \$5,000 fine.

The sanctions imposed herein shall be effective on a date set by FINRA staff. The suspension periods shall run consecutively, beginning with the one-month suspension.

The fine shall be due and payable either immediately upon reassociation with a member firm following the suspension periods noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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

I understand that if I am barred or suspended from associating with any FINRA member, 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 any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

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.

II. 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:

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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.

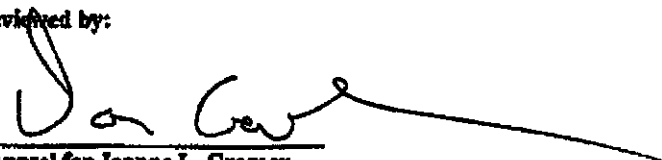
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

SEP 15 2011

Date


JOANNE L. CRAMER

Reviewed by:


Counsel for Joanne L. Cramer

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Accepted by FINRA:

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

9-15-11

Date



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