

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010021236201**

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

RE: Elevation, LLC, Respondent
FINRA Member Firm
BD No. 140341

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

I.

ACCEPTANCE AND CONSENT

- A. Elevation 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

Elevation, LLC has been a FINRA member firm since August 2006. Elevation is a general securities broker-dealer that clears its transactions through another FINRA member firm. Its main office is located in Charlotte, North Carolina. Elevation has approximately 45 representatives located in four registered and three non-registered branch locations. Elevation does not have a relevant disciplinary history.

OVERVIEW

Elevation allowed a principal who was not registered as an options principal, to supervise its options business. Additionally, Elevation conducted an options business while it did not have a registered options principal ("ROP") and failed to notify FINRA when its only ROP resigned, in violation of NASD Membership and Registration Rule 1022(f) and IM-1022-1.

Elevation further failed to establish, maintain, and enforce an adequate supervisory system for its options activities, including written procedures, reasonably designed to achieve compliance with the applicable securities regulations, and to supervise options transactions in which it engaged, in violation of NASD Conduct Rules 3010(a) and 3010(b) and FINRA Rule 2360. Also, Elevation failed to comply with specific requirements of FINRA Rule 2360 relating to options principal registration and customer agreement requirements, in violation of FINRA Rule 2360. This conduct also constitutes violations of FINRA Rule 2010.

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FACTS AND VIOLATIVE CONDUCT

1. Elevation commenced an options business and engaged in options transactions in May 2009. Elevation designated an individual, who was registered by Elevation as an ROP, as its designated ROP until his resignation on May 14, 2010. Elevation was required pursuant to IM-1022-1 to notify FINRA upon that individual's resignation. However, Elevation did not notify FINRA of his resignation, but instead, continued to engage in an options business without registering a new ROP. From May 28, 2010 until August 26, 2010, Elevation engaged in options transactions which were supervised by a principal who was not registered as a ROP.

Such acts, practices and conduct constitute separate and distinct violations of NASD Membership and Registration Rule 1022(f) and IM-1022-1 and FINRA Rule 2010 by Respondent Elevation.

2. Elevation further failed to establish, maintain, and enforce an adequate supervisory system for its options activities, including written procedures, reasonably designed to achieve compliance with the application securities regulations, and to supervise options transactions in which it engaged.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 3010(a) and 3010(b) and FINRA Rules 2360 and 2010 by Respondent Elevation.

3. Elevation also failed to comply with multiple requirements of FINRA Rule 2360, the Options Rule. Specifically, Elevation failed to comply with the registration and customer agreement requirements of FINRA Rule 2360.

Such acts, practices and conduct constitute separate and distinct violations of FINRA Rules 2360 and 2010 by Respondent Elevation.

- B. Elevation also consents to the imposition of the following sanctions: a \$10,000 fine and a censure.

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

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

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

Elevation 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

Elevation 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 Elevation; and
- C. If accepted:
 - 1. This AWC will become part of Elevation's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Elevation;
 - 2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about Elevation'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. Elevation 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. Elevation 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 Elevation's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. Elevation may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Elevation 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 undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that Elevation 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 Elevation to submit it.

10/3/2011
Date

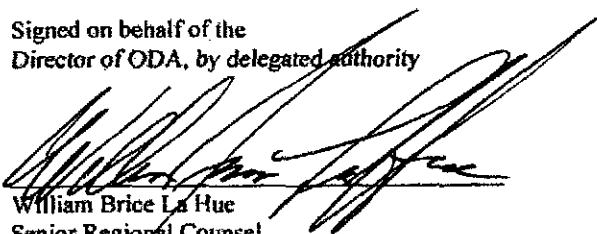
Elevation, LLC

By: Patrick James Sheehan, Managing Member, CCO

Accepted by FINRA:

10/14/2011
Date

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


William Brice LaHue
Senior Regional Counsel
FINRA, Department of Enforcement
One Securities Centre, Suite 500
3490 Piedmont Road, N.E.
Atlanta, Georgia 30305
(404) 239-6111; Fax: (404) 264-1586
E-Mail: brice.lahue@finra.org