

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010023336301**

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

RE: Craig Michael Bettencourt, Respondent
CRD No. 3230665

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Craig Michael Bettencourt ("Respondent") 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

Respondent has been registered with FINRA since May 1999. From May 1999 to February 2002, Respondent was associated with American Express Financial Advisers, Inc. and IDS Life Insurance Company, both of which he left voluntarily. From April 2002 to May 2010, Respondent was associated with Wachovia Securities, LLC (now Wells Fargo Advisers, LLC), at its New Haven, Connecticut office. During this time, Respondent also worked as a Personal Banker at Wachovia Bank (now Wells Fargo Bank), at the same office in New Haven. Respondent left his employment at Wells Fargo voluntarily. Beginning in May 2010 Respondent was associated with Morgan Stanley Smith Barney as a Financial Adviser Trainee, until his termination on June 7, 2010. Respondent has no relevant disciplinary history.

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VIOLATIVE CONDUCT

On March 9, 2010, Respondent, without authorization from his client, created a debit memorandum from his client's account in the amount of \$35,000. On March 12, 2010, Respondent directed that the debit memorandum be converted to a check payable to Bank of America, where he held a personal account. Respondent then endorsed the check and deposited it into his personal account at Bank of America. Respondent converted these funds to his own personal use and benefit.

To disguise the conversion of funds, on March 25, 2010, Respondent created a false Certificate of Deposit in his client's name for \$35,000. Respondent then created a false CD account in his client's name and delivered a receipt to his client. Respondent's conversion of \$35,000 in customer funds to his own personal use and benefit constitutes a violation of FINRA Conduct Rules 2150 and 2010.

OTHER FACTORS

- B. Respondent consents to a bar from associating with any FINRA member in any capacity.

Respondent understands that if he is barred or 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, 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 NASD Rule 8310 and IM-8310-1.)

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to NASD IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent 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, 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 him; 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 Respondent'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. 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,

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.

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 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.

11/17/2010
Date

Craig M. Bettencourt
Craig Michael Bettencourt, Respondent

Accepted by FINRA:

12-16-10
Date

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

L. Riefberg
Linda S. Riefberg
Vice President, Chief Counsel
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