

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011025645601**

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

RE: Pritchard Capital Partners, LLC, Respondent
[CRD No. 100480]

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Pritchard Capital Partners, LLC 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Pritchard Capital Partners, LLC ("Pritchard") 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

Pritchard has been a member of FINRA since March 13, 2000 and is also registered as a broker/dealer with the U.S. Securities and Exchange Commission. Pritchard has a minimum net capital requirement of \$100,000. The firm currently employs approximately 44 registered persons that operate from five branch offices.

RELEVANT DISCIPLINARY HISTORY

Pritchard has no relevant disciplinary history.

OVERVIEW

This case involves two separate net capital violations, a related books and records violation, filing of an inaccurate FOCUS Part IIA Report, and failure to provide notice to the SEC and FINRA of the net capital deficiencies in a timely manner.

FACTS AND VIOLATIVE CONDUCT

1. During the period from November 19, 2010 through December 7, 2010, Pritchard conducted a securities business while failing to maintain its minimum net capital requirement. The deficiency resulted from the firm's controller erroneously including trading profits twice in the firm's financial forecast. Consequently, the firm's management was unaware that it needed to infuse capital into the firm. In addition, the firm had erroneously included non-allowable assets in the calculation of its assets, and failed to include some vendor payables in its liabilities. As a result, the firm was below net capital in the amount of (\$97,887) as of November 30, 2010. In addition, the firm failed to prepare and maintain an accurate general ledger, trial balance, and net capital computation during this period. The inaccurate net capital computation also caused the firm to prepare and submit an inaccurate FOCUS Part IIA Report for the period ending November 30, 2010.
2. On nine separate days during the period June 10, 2009 through November 18, 2010, the firm conducted a securities business while in net capital deficiency. Specifically, the firm participated in eleven¹ firm commitment underwritings without taking the required charge to capital on the entire amount underwritten on the business day immediately prior to the effective date of the offerings. Pritchard's failures in this regard resulted in net capital deficiencies ranging from (\$15,895) to (\$1,468,814). In connection with the net capital deficiencies resulting from the firm commitment underwritings, Pritchard also failed to provide the required notice to the SEC and FINRA of these net capital deficiencies in a timely manner. Pritchard did not submit notice of the deficiencies until September 13, 2011.

Such acts, practices, and conduct constitute separate and distinct violations of SEC Rules 15c-3-1(a)(2)(iii) and (c)(2)(viii); SEC Rule 17a-5(a)(2)(iii); SEC Rule 17a-3(a)(11) and NASD Rule 3110(a); SEC Rule 17a-11(b); and FINRA Rule 2010.

¹ Although there were eleven underwritings where the firm failed to take the required charge against capital, the violation did not result in the firm being below net capital on eleven separate days. A few of the underwritings occurred on the same day.

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

A censure and a fine in the amount of \$20,000 to be assessed against Pritchard Capital Partners, LLC.

Pritchard agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. We have submitted an Election of Payment form showing the method by which we propose to pay the fine imposed.

Pritchard specifically and voluntarily waives any right to claim that we are unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Pritchard specifically and voluntarily waives 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, the firm 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.

Pritchard 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

The firm 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 the Firm; and
- C. If accepted:
 - 1. this AWC will become part of the Firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the Firm;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the Firm'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. Pritchard 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. The firm 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. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Pritchard understands that we 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 understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that the Firm 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 the Firm to submit it.

3/9/2012
Date (mm/dd/yyyy)

Todd Gustiniano
Pritchard Capital Partners, LLC, Respondent

By: Todd Gustiniano

Reviewed by:

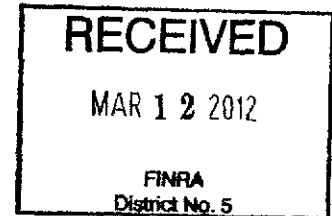
Counsel for Respondent

Accepted by FINRA:

April 2, 2012
Date

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

Laura Leigh Blackston
Laura Leigh Blackston, Senior Regional Counsel
FINRA, Department of Enforcement
1100 Poydras Street
Energy Centre, Suite 850
New Orleans, Louisiana 70163-1108
Tel: 504/522-6527 Fax: 504/522-4077



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Statement of Corrective Action

March 9, 2012

Ms. Laura Leigh Blackston
Senior Regional Counsel
Financial Industry Regulatory Authority ("FINRA")
1100 Poydras Street
Energy Centre, Suite 850
New Orleans, LA 70163-1108

Re: Statement of Mitigating Circumstances
Exam No. 20110256456/Pritchard Capital Partners, LLC

This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

To Whom It May Concern:

We at Pritchard Capital Partners, LLC ("PCP") offer the following as corrective action taken by PCP in connection with the AWC for the above-referenced exam.

The net capital violation that occurred Nov 19 – Dec 7, 2010 was the result of a simple bookkeeping error that was corrected upon discovery. As required under the rules, PCP reported the error immediately to the appropriate regulatory authorities. At the time of discovery, PCP had returned to net capital compliance.

Accounting procedures and processes have been reviewed to ensure that proper controls exist to minimize risk of error. Nothing has come out of those reviews that indicate any weaknesses or gaps in the system. The error occurred solely as a result of human error which our systems can never eliminate.

Sincerely,


Todd Giustiniano
C.O.O./FINOP