

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
20110281074-01**

**TO:** Office of Fraud Detection and Market Intelligence  
Financial Industry Regulatory Authority ("FINRA")

**RE:** Matthew Crump, Respondent  
CRD No. 1924664

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Matthew Crump, ("Crump" or "Respondent"), 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**

Crump first became registered with a FINRA member firm in 1989. Crump was most recently registered with a FINRA member firm from May 8, 2006 until June 20, 2011, when his employer firm filed a Form U5 terminating his registration. He is not currently associated with a FINRA member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4, of FINRA's By-Laws. Crump has no disciplinary history.

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### FACTS AND VIOLATIVE CONDUCT

**Crump converted approximately \$14,000 from two customer accounts  
(Violations of FINRA Rules 2010 and 2150(a))**

1. From May 2006 through June 15, 2011, Crump was the Chief Compliance Officer at his employing firm. Beginning in April 2011 and continuing through May 2011, Crump utilized his position at the firm to convert approximately \$14,000 from two of his firm's customers' brokerage accounts.
2. Crump unlawfully converted funds from the two customer accounts by utilizing fictitious documents to effect unauthorized transfers of securities and cash from the customers' accounts to a trust account that Crump had established at his employing firm.
3. More specifically, on April 29, 2011, Crump arranged for the transfer of securities and cash worth approximately \$4,000 from the account of LS. Crump did not know LS and had no contact with him. Crump used a fictitious letter of authorization to effectuate the conversion. Two days before effectuating the transfer, Crump utilized the firm's systems to temporarily change the address on LS's account to Crump's attention at his work address, the effect of which was to have correspondence and other notices relating to the account sent to Crump at his firm.
4. Customer LS neither knew about nor authorized the transfers of securities and funds to Crump's account.
5. In addition, on or about May 25, 2011, Crump arranged for the transfer of various securities and cash worth approximately \$10,000 from an IRA account for which customer ROS was a beneficiary to a cash account of ROS. Crump then transferred the securities and cash from the customer's cash account to the trust account he controlled.
6. Crump did not know ROS and had no contact with her. Crump used a fictitious Retirement Account Distribution Form and a fictitious letter of authorization to effectuate the conversion. Customer ROS neither knew about nor authorized the transfers of securities and funds from the IRA account to the cash account or from the cash account to Crump's account.
7. Crump used unlawfully converted funds to pay for his own personal and business expenses.
8. By converting and making improper use of customer funds, Crump violated FINRA Rules 2150(a) and 2010.

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

A bar in all capacities from associating with any FINRA member.

I understand that if I am barred from associating with any FINRA member, I become 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, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar shall become effective upon approval or acceptance of this AWC.

## 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.

### III.

#### 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:
  - 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.

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.

Date 7/13/11

  
Matthew Crump

Reviewed by:

**Counsel for Matthew Crump**

Accepted by FINRA:

7/29/11  
Date

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



Cameron K. Funkhouser  
Executive Vice President  
Office of Fraud Detection and  
Market Intelligence