

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110292037 02**

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

RE: Allison D. Salke, Respondent
Chief Executive Officer, Gordon & Co.
CRD No. 1995738

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, 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 her 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 AND OVERVIEW

Respondent Allison Salke ("Salke") was the Chief Executive Officer of Gordon & Co. (the "Firm"). Salke started her securities career with the Firm in 1989 and was employed and registered with the Firm since then as a registered representative (Series 7), Equity Trader (Series 55), Financial and Operations Principal (Series 27), General Securities Principal (Series 24), and Registered Options Principal (Series 4). The Firm has withdrawn its registration by filing a Form BDW on January 3, 2012, effective March 2012. Salke terminated her registrations effective March 2012 and is not currently employed in the securities industry. She remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws.

In April 2011, the Firm entered into a limited partnership agreement with JK and a trust entity legally controlled by JF's wife. JK and JF are venture capitalists

who engaged in private investment in public equity ("PIPE") transactions whereby they received millions of penny and sub-penny shares in exchange for loans to micro-cap companies and then liquidated the stock into the public market for profits. JK and JF's transactions constituted the majority business of the Firm, each guaranteeing to pay commissions and fees of \$30,000 per month for services.

Under the terms of their limited partnership agreement with the Firm, JK and JF's trust infused a combined total of \$300,000 in capital in exchange for 300,000 class B limited partner units, representing a 12.5% interest each in the Firm. As part of the limited partnership agreement, JK and JF assumed control of important aspects of the operation of the Firm. Neither JK nor JF (who was statutorily disqualified by a prior disciplinary action) were registered as principals. Salke permitted JK, an unregistered person, and JF, a statutorily disqualified person, to take control of the Firm and to function as principals without registration in violation of NASD Rule 1021, Article III, Section 3(b) of the FINRA By-Laws, and FINRA Rule 2010.

During the period April to October 2011, JK and JF transferred close to one billion shares of micro-cap and sub-penny stock into their accounts at the Firm. Immediately after the transfers, the Firm executed liquidations for JK and JF, who then transferred out the proceeds of the sales. The Firm self-cleared all the transactions. The volume of liquidations, JK's and JF's conduct and trading patterns, the structure of the transactions, and the types of micro-cap companies involved raised warning signs to Salke that JK and JF were statutory underwriters engaged in the sale of close to one billion shares in unregistered securities. As a result of the foregoing, Salke, through the Firm, facilitated the sale of unregistered securities in violation of FINRA Rule 2010 in contravention of Section 5 of the Securities Act of 1933.

While the Firm and Salke had policies and procedures for and conducted due diligence on the micro-cap securities transactions, Salke ignored red flags that JK and JF had engaged in sales of unregistered securities. Salke thus failed to supervise reasonably the majority business of the Firm in violation of NASD Rule 3010 and failed to implement a program reasonably designed to monitor for compliance with the anti-money laundering requirements of the Bank Secrecy Act in violation of FINRA Rules 3310 and 2010.

On October 19, 2011, following a telephone call from Enforcement regarding the investigation of this matter, Salke volunteered to prohibit trading in JK's and JF's accounts and subsequently closed their accounts.

RELEVANT DISCIPLINARY HISTORY

Salke does not have any disciplinary history.

FACTS AND VIOLATIVE CONDUCT

Failure to Register Two Individuals As Principals In Violation of NASD Rule 1021, FINRA By-Laws, Article III, Section 3(b), and FINRA Rule 2010

NASD Rule 1021(a) provides that "all persons engaged or to be engaged in the investment banking or securities business of a member who are to function as principals shall be registered as such with FINRA." The listed categories in Rule 1021(b) are sole proprietors, officers, partners, managers of Offices of Supervisory Jurisdiction, and directors of corporations. Rule 1021(b) defines a "Principal" as a person in listed categories who is "actively engaged in the management of the [member firm's] investment banking or securities business, including supervision, solicitation, conduct of business or the training of persons associated with a member."

Article III, Section 3(b) of the FINRA By-Laws provides: "No person shall become associated with a member, continue to be associated with a member, or transfer association to another member . . . if such person is or becomes subject to a [statutory] disqualification."

JK and JF performed functions as principals of the Firm without registration. Indeed, JF was prohibited from registration without FINRA approval, since he was statutorily disqualified pursuant to an August 9, 2007 judgment by consent entered by the SEC permanently enjoining JF from violations of Section 10(b) of the Securities Exchange Act and Rule 10b-5. Salke knew about JF's statutory disqualification.

Nevertheless, Salke, on behalf of the Firm, entered into an Amended and Restated Limited Partnership Agreement (the "Partnership Agreement") dated April 22, 2011, whereby JK and JF's trust infused \$150,000 each into the Firm in exchange for limited partnership interests in the Firm, representing a 12.5% interest each. The Partnership Agreement provided control to JK and JF over the operations of the Firm. Section 6 of the agreement provided them with voting rights related to certain governance matters at the Firm, including the liquidation or dissolution of the partnership, amendments to the partnership organization documents, increases in the salary or wages of any employees, and the opening and closing of customer accounts.

With respect to customer accounts, the Partnership Agreement required the Firm to:

- Disclose to JK and JF relevant information about a customer before opening a new account;
- Obtain approval from JK and JF for any new customer account if the Firm was profitable during the prior month;

- Close the account of any customer whose ordinary business activity included the sale of securities trading below \$1 per share at JK's and JF's written request; and
- Provide written notice to JK and JF of any customer who traded securities that were received as part of a PIPE conversion, and close the account at JK's and JF's request.

JK and JF exercised this control over new accounts.

Salke, JK and JF attended partnership meetings via teleconference and signed minutes of the meetings where they discussed a variety of operational and business issues, such as back office systems and new business. Notably, the partnership minutes reflect the assignment of tasks to JK and JF.

In sum, Salke permitted JK and JF to engage in the management of the Firm's securities business. JK and JF provided the Firm's majority financial support, participated in partnership and operational decisions, directed opening of new accounts, and had control over the structure of the Firm and employees' salaries, without Salke registering JK and JF as principals. By virtue of the foregoing, Salke violated FINRA Rule 1021, Article III, Section 3(b) of the FINRA By-Laws, and FINRA Rule 2010.

Sale of Unregistered Securities In Violation of FINRA Rule 2010 In Contravention of Section 5 of the Securities Act of 1933

Section 5 of the Securities Act of 1933 prohibits the sale or offer and sale of securities unless a registration statement is in effect or there is an exemption from registration. The purpose of Section 5 is to prohibit the sale of securities in the public markets through transactions or a series of transactions without adequate disclosure to buyers about the issuer and the investment intent of the person selling the securities, among other things.

Certain exemptions from the registration requirements, such as private transactions with the issuer, result in the holder obtaining restricted stock. Restricted stock cannot be re-sold in the public markets absent registration and disclosure of material information unless an exemption applies. The restriction appears on the face of the physical stock certificate. Thus, many of JK's and JF's PIPE transactions with issuers were exempt from registration, but they acquired restricted stock that required either a separate exemption or registration at the time of re-sale.

The exemptions to Section 5 are not available to investors who are statutory underwriters. Section 2(a)(11) of the 1933 Act broadly defines underwriter as, among other things, any person or entity that purchases securities from an issuer with a view to distribute; or offers or participates, directly or indirectly, in a distribution of securities. SEC Rule 144 provides a safe harbor from the underwriter provision in Section 2(a)(11) of the 1933 Act for sales of restricted securities if various requirements are met. Shares sold into the public markets that the seller acquired from an issuer or control person in private unregistered transactions are called "re-sales" under Rule 144. Rule 144's safe harbor is not available to a person, such as JF and JK, who is in technical compliance with Rule 144 when the transactions are part of a plan or scheme to evade the registration requirements of the 1933 Act.

JK and JF entered into PIPE transactions whereby they made loans to micro-cap companies in exchange for convertible notes to purchase stock in the issuers at a substantial discount – from 15% to 50% of the market price. Within days of purchasing the stock, JK and JF began to re-sell the stock as quickly as possible on the public markets through their accounts at the Firm. Communications from JK and JF to the Firm indicated that they wanted to recoup the amount of their loans and make a profit fast. Their trading instructions evidenced a disregard for the market price of the stocks; they sold as the price of the stock declined into sub-pennies, but made profits because of the substantial discount they received when they purchased the stock from the issuers. Their sales were generally a large percentage of the daily trading volume of the relatively illiquid stocks they sold. The number of shares sold represented a large percentage of the outstanding shares of the issuers.

Over the course of five months, JK and JF engaged in sales of over 30 penny stocks that had indicia of being designed to evade the registration requirements of Section 5 by technical compliance with Rule 144's requirements. The facts – liquidation of 920,605,346 shares, generating proceeds of \$7,956,191 -- indicated that they had engaged in distributions of micro-cap and sub-penny stock into the market as underwriters and that no valid exemption from registration applied.

Salke had facts before her indicating that JK and JF were statutory underwriters and that they sold close to one billion shares in over 30 issuers' stock without an exemption from registration. For example:

CBAI: From June 2011 through October 2011, JK and JF acquired 24,947,364 shares of CBAI from the issuer and deposited the shares in their accounts at the Firm. During the same period, they sold the 24,947,364 shares through Gordon for more than \$1,115,847.

As an example of how the CBAI transactions worked, on July 26, 2011, one of JF's entities entered into an exchange transaction with CBAI for a \$125,000 loan. On August 1, 2011, JF, through his entity, exercised a conversion of a portion of a convertible note into 600,000 shares of CBAI at a 30% discount to the market price (discounted to \$.0858 per share), for a total of \$51,520, leaving a balance on the loan. JF deposited the 600,000 CBAI shares into one of his accounts at the Firm in certificates on August 3 and 4, 2011. JF began selling on August 4, 2011 and sold all 600,000 CBAI shares by August 10, 2011 for proceeds of \$65,906. JF's sales represented from 5% to 40% of the daily trading volume, and he sold at prices ranging from \$.0954 to \$.1250, as the price was decreasing. As those sales were completed, JF had already exercised another conversion of stock.

On July 26, 2011, JK exercised a conversion of a portion of a convertible promissory note issued to his entity on March 24, 2010 into 1,500,000 shares of CBAI at a 25% discount to the market price (discounted to \$.09 per share), for a total of \$135,000, leaving a balance on the March 2010 \$1.55 million loan to the issuer. JK deposited the 1,500,000 CBAI shares into his account at the Firm in certificates on July 27, 2011. JK began selling on July 29, 2011, and sold all 1,500,000 CBAI shares by August 25, 2011 for proceeds of \$161,561. JK's sales represented from 2% to 62% of the trading volume, and sold at prices ranging from \$.1266 to \$.0814, as the price was

decreasing. As those sales were completed, JK exercised another conversion on August 25, 2011.

SDRG: From June 2011 through October 2011, JK and JF acquired 7,860,000 shares of SDRG from the issuer and deposited the shares in their accounts at the Firm. During the same period, they sold 7,320,000 shares through Gordon for proceeds of \$690,502.

As an example, on February 15, 2011, T, an entity controlled by JF, entered into a convertible promissory note with SDRG for a \$2,766,500 loan. On August 16, 2011, T exercised a conversion of a portion of the debt into 350,000 shares of SDRG at a 30% discount to the market price (discounted to \$.0836), for a total of \$29,253, leaving a balance on the loan. JF deposited the 350,000 SDRG shares into T's account at the Firm in certificates on August 19, 2011. T began selling on August 19, 2011 and sold the 350,000 SDRG shares by August 24, 2011, for proceeds of \$39,859. T's sales represented from 16% to 51% of the daily trading volume, and sold at prices ranging from \$.1148 to \$.1208, as the price decreased. On August 29, 2011, three trade dates after the last sale, T executed another debt conversion.

XDSL: From September 2011 through October 2011, JK and JF acquired 38,887,500 shares of XDSL from the issuer and deposited the shares in their accounts at the Firm. During the same period, they sold 33,587,500 shares through Gordon for proceeds of \$157,139.

As an example, on September 23, 2009, JK entered into a convertible promissory note with XDSL for a \$1,200,000 loan. On September 12 and September 29, 2011, JK exercised conversion of portions of the note into 5,000,000 and 9,187,500 shares of XDSL, respectively, at a 25% discount to the market price (discounted to \$.0045 and \$.0040 per share, respectively), for a total of \$59,250, leaving a balance on the loan. JK deposited the 14,187,500 XDSL shares into his account at the Firm in certificates on September 13 and September 30, 2011. JK began selling on September 16, 2011 and sold all 14,187,500 XDSL shares by October 19, 2011, for proceeds of \$66,232. JK's sales represented from 3% to 80% of the daily trading volume, and sold at prices ranging from \$.0039 to \$.0061, as the price decreased. On September 29, 2011, two trade dates after the last sale of the first 5,000,000 shares, JK executed 9,187,500 share debt conversion.

On September 13 and October 5, 2011, JF exercised conversions of portions of his note into 10,000,000 and 14,700,000 shares of XDSL, respectively, at a 25% discount to the market price (discounted to \$.0047 and \$.0037 per share, respectively), for a total of \$101,273, leaving a balance on the loan. JF deposited the 24,700,000 XDSL shares into JF's account at the Firm in certificates on September 16 and October 6, 2011. JF began selling on September 19, 2011, and sold 19,400,000 XDSL shares by October 19, 2011, for proceeds of \$90,907. The Firm ceased handling orders for JF's account on October 19, 2011, and JF transferred out the balance of 5,300,000 shares XDSL on October 27, 2011. JF's sales represented from 7% to 72% of the daily trading volume, and sold at prices ranging from \$.0037 to \$.0062, as the price decreased.

BZCN: On March 28, 2011, JK converted a portion of a convertible promissory note into 700,000,000 shares of BZCN at \$.000025, at a 75% discount to the \$.0001 market price, for a total of \$17,500 from the issuer and deposited the shares in his account at the Firm. From May

2011 through June 2011, JK sold 293,000,000 of the shares for proceeds of \$29,299. The stock traded at \$.0001 throughout the period.

The above conduct provides examples of the pattern of unregistered sales of securities. In addition, Salke ignored the following red flags discernable from the transactions and conduct by JK and JF:

- JF opened seven accounts at the Firm under different entity names, effectively preventing the market from identifying a pattern of distributing unregistered stock by one person through different accounts.
- JK and JF stated in e-mails to the Firm that they wanted a small self-clearing firm because another firm had restricted their accounts and larger clearing firms prohibited their trading.
- JK and JF structured the large volume of shares they sold of each issuer into smaller share batches to avoid disclosing ownership of more than ten percent of the outstanding shares of a particular issuer.
- JK and JF stated in e-mails to the Firm that their goal was to liquidate certain stock as quickly as possible upon receipt of the shares from the issuers. They indicated that they were not investors, but rather wanted to liquidate.
- The structure of the PIPE loans warranted investigation into when beneficial ownership of the stock had transferred to JK and JF for calculating certain holding periods prior to re-sale, as required under Rule 144.
- JK and JF ordered the re-sales to commence within a day or days after the end of the six month holding period required by Rule 144, timing their transactions for technical compliance with the rule.
- As soon as JK and JF completed re-sales of one batch of stock, they transferred into their accounts more of the same shares without disclosing to the market their goal to distribute large quantities of stock.
- JK and JF made deposits of shares into their accounts in certificate form, which merited further investigation as to whether the stocks were restricted and prohibited from re-sale except under certain circumstances.
- JK and JF obtained the stock at a sharp discount to the trading price of the micro-cap or sub-penny stock – a discount of up to 30 percent – often selling into falling prices of the stock, which was inconsistent with holding the stock for investment purposes.
- E-mails from JK and JF to the Firm with very specific volume instructions for re-sales of the stock exhibited their concern not to trigger surveillance by the issuers and regulators.
- Many of the attorney opinion letters advising transfer agents of the issuers that JK's and

JF's transactions were exempt were written by the same attorney, paid for by JK or JF, and used the identical language for multiple transactions.

These warning signs put Salke on notice that JK and JF had engaged in distributions of unregistered stock as underwriters. Salke thus facilitated the re-sales through JK's and JF's accounts at the Firm in a manner prohibited by Section 5 and in violation of FINRA Rule 2010.

Failure to Supervise Re-Sales of Micro-Cap And Penny Securities in Violation of NASD Rule 3010 and FINRA Rule 2010

Registered firms are the gatekeepers of Section 5 and are required to conduct reasonable due diligence into whether a customer is acting as an affiliate, control person, or underwriter, and investigate whether any exemptions apply for re-sales of stock. Registered firms that sell unregistered securities on behalf of customers who are affiliates, control persons or underwriters are necessary participants or substantial factors in the unregistered distribution, and thereby violate Section 5.

The Firm had written due diligence policies and surveillance procedures for trading in micro-cap securities. FINRA Regulatory Notice 09-05 (January 2009) suggests that in the event red flags are present, firms should ascertain how and when the customer acquired the stock, how long the customer has held the stock, whether the customer holds the stock in other accounts, whether the customer intends to sell stock in additional transactions, and whether the stock is subject to a registration statement, and should calculate the percentage that the customer holds of the outstanding stock of the issuer. Notice 09-05 also suggests use of a questionnaire to ascertain this information.

Here, Salke, for the most part, followed Notice 09-05. She had JK and JF fill out questionnaires supplying the information suggested by Notice 09-05, reviewed the PIPE convertible notes, issuer resolutions, conversion notices, wire transfer payments for the shares, Form 8-Ks, and Rule 144 attorney opinion letters sent to the transfer agents. The Firm also did a calculation of the percentage of outstanding issuer shares held by JK and JF.

However, Salke's use of the suggestions in Notice 09-05 does not adequately fulfill the supervision requirements, especially where, as here, the cumulative facts and trading activity indicated inapplicability of the exemptions to Section 5. As described above, many red flags triggered indicia that JK and JF were engaged in re-sales of unregistered stock through their accounts at the Firm. Salke ignored the warning signs that JK's and JF's sales required registration under Section 5. Thus, Salke's supervision of the trading activity was not reasonable and in violation of NASD Rule 3010 and FINRA Rule 2010.

Failure to Adequately Monitor for Suspicious Activity In Violation of FINRA Rules 3310(a) and 2010

FINRA Rule 3310 requires FINRA members to develop and implement a written anti-money laundering ("AML") program reasonably designed to achieve and monitor compliance with the requirements of the Bank Secrecy Act, 31 U.S.C. §5311, et seq., and the regulations promulgated

thereunder. FINRA Rule 3310(a) requires FINRA members to establish and implement policies and procedures "that can be reasonably expected to detect and cause the reporting of" suspicious activity and transactions.

The Firm did not have AML procedures sufficiently tailored to the Firm's business, such that they could be reasonably expected to detect and monitor for suspicious activity. Although the Firm had a written AML program providing for the detection and reporting of suspicious activities, they did not set forth specific criteria for monitoring to detect suspicious activities related to the Firm's micro-cap and sub-penny securities liquidation business, the sole business of the Firm. Although the Firm generated an internal operations report of transactions involving sales of low-priced securities where the proceeds of the sales were immediately transferred out of the account, Salke and the Firm's AML compliance officer reviewed the report only to determine whether the activity was consistent with JK's and JF's business models of liquidating stock, without making sufficient additional inquiry.

Notice to Members ("NTM") 02-21 (April 2002) and 02-47 (August 2002) emphasized each firm's duty to detect red flags and, if detected, "perform additional due diligence before proceeding with the transaction."¹ Salke failed to investigate adequately the following red flags:

- JF maintained multiple accounts under the names of multiple entities.
- JK and JF deposited into their accounts millions of shares of unregistered penny stocks.
- JK and JF immediately sold the unregistered stock and wired the proceeds from their accounts.
- JF was subject to a statutory disqualification for violations of the federal securities laws.

Salke's limited review of these red flags, coupled with her lack of further investigation, resulted in the Firm's failure to have a program reasonably designed to monitor and report suspicious activity. Based on the foregoing, Salke violated FINRA Rule 3310(a) and in so doing, did not observe high standards of commercial honor and just and equitable principles of trade in violation of FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a. A one year suspension from acting in a principal capacity; and
- b. A \$15,000 fine.

The fine shall be due and payable either immediately upon reassociation with a

¹ NTM 02-21 set forth examples of red flags, relevant here: (1) customers maintain multiple accounts for no apparent business purpose; (2) customers exhibit a lack of concern regarding risks, commissions, or other transaction costs; (3) customers, for no apparent reason or in conjunction with other "red flags," engage in transactions involving certain types of securities, such as penny stocks, Regulation S stocks, and bearer bonds; and (4) customers have questionable backgrounds or are subject to news reports indicating possible criminal, civil, or regulatory violations.

member firm following the one year suspension 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.

Respondent specifically and voluntarily waive any right to claim that she is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Respondent understands that if Respondent is barred or suspended from associating with any FINRA member from acting in a principal capacity, Respondent becomes 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, Respondent may not be associated with any FINRA member from acting in a principal capacity, during the period of the suspension (see FINRA Rules 8310 and 8311). Furthermore, because Respondent is subject to a statutory disqualification during the suspension, if Respondent remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

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

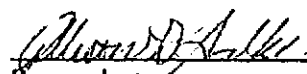
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; 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, 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.

- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that she 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.

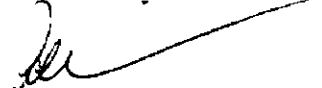
Respondent certifies that she has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that she has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein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

12/05/2012
Date (mm/dd/yyyy)


Respondent

By: ALLISON D. SAUER

Reviewed by:


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Accepted by FINRA:

12/12/12
Date

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

Susan Light

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