

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012030559801**

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

RE: Crowell Weedon & Co., now known as Crowell Weedon, a Division of D.A. Davidson & Co., Respondent
Former Member
CRD No. 193

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 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

Crowell Weedon & Co. became a member of FINRA (f/k/a National Association of Securities Dealers, Inc. or NASD) in 1936. On or about August 5, 2013, Crowell Weedon & Co. was purchased by Davidson Companies, the parent entity of FINRA member D.A. Davidson & Co. (DAD) (CRD No. 199), and merged with and into West Merger Sub, Inc. (West Merger), a wholly owned subsidiary of Davidson Companies. Following approval of West Merger as a FINRA member, West Merger was merged into DAD and operates as Crowell Weedon, a Division of DAD (Crowell Weedon). DAD is the successor in interest, as defined in Section 15(b)(2) of the Securities and Exchange Act of 1934, to Crowell Weedon & Co.

RELEVANT DISCIPLINARY HISTORY

Crowell Weedon has not been the subject of prior relevant disciplinary action within the past five years by FINRA, other self-regulatory organizations, the Securities and Exchange Commission, or any state regulator.

OVERVIEW

During the period December 3, 2007 through July 15, 2012, on 80 occasions, Crowell Weedon failed to comply with its regulatory reporting obligations when it filed late, inaccurate, or failed completely to file amendments to the Uniform Application for Securities Industry Registration or Transfer (Form U4), the Uniform Termination Notice for Securities Industry Registration (Form U5), or to file reports as required by NYSE Rule 351, in violation of Article V, Section 2(c) of the FINRA By-Laws and NASD IM-1000-1 for conduct occurring before August 17, 2009, and FINRA Rule 1122 thereafter; NYSE Rule 351(a)-(d) for conduct occurring before July 1, 2011, and FINRA Rule 4530 thereafter; and NASD Rule 2110 for conduct occurring before December 15, 2008, and FINRA Rule 2010 thereafter.

In connection with the foregoing conduct, Crowell Weedon failed to reasonably supervise registration filings, in violation of NASD Rules 3010 and NASD Rule 2110 for conduct occurring before December 15, 2008, and FINRA Rule 2010 thereafter.

FACTS AND VIOLATIVE CONDUCT

1. Failures to Comply with Regulatory Reporting Obligations

From December 3, 2007 through July 15, 2012, the firm filed late, inaccurate, or failed to file Form U4, Form U5 or NYSE Rule 351(d) amendments on 80 occasions, as described below.

For the period from December 3, 2007 through February 1, 2011, the firm filed late, inaccurate, or failed to file Form U4, Form U5 or NYSE Rule 351(d) amendments on 39 occasions, as follows:

- Twenty-three late filings regarding customer complaints, including seven late filings required by NYSE Rule 351(b) and sixteen late Form U4 or Form U5 amendments;
- Three filings regarding customer complaints, required by NYSE Rule 351(d), with inaccurate or incomplete information regarding the registered representative;
- Four failures to file, including two customer complaints or settlements required to be reported under NYSE Rule 351(b) and two failures to report outside business activities on Forms U4; and

- Nine failures to file Form U4 amendments to report liens relating to two registered persons.

For the period from February 2, 2011 through July 15, 2012, the firm filed late, inaccurate, or failed to file Form U4, Form U5 or NYSE Rule 351(d) amendments on 41 occasions, as follows:

- Eleven late filings, including three Form U4 or Form U5 amendments, one NYSE Rule 351(b) filing regarding customer complaints or settlements, one Form U4 amendment regarding a lien, and six Form U4 amendments relating to disclosure or updating inaccurate outside business activities; and
- Thirty failures to file Form U4 amendments, including one regarding a lien and twenty-nine relating to disclosure or updating of inaccurate outside business activities.

The foregoing conduct and practices constitute separate and distinct violations of Article V, Section 2(c) of the FINRA By-Laws and NASD IM-1000-1 for conduct occurring before August 17, 2009, and FINRA Rule 1122 thereafter; NYSE Rule 351(a)-(d) for conduct occurring before July 1, 2011, and FINRA Rule 4530 thereafter; and NASD Rule 2110 for conduct occurring before December 15, 2008, and FINRA Rule 2010 thereafter.

2. Failure to Supervise

NASD Conduct Rule 3010(a) requires firms to “establish and maintain a system to supervise activities of each registered representative, registered principal, and other associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable NASD Rules.” NASD Rule 3010(b) requires FINRA members to establish, maintain, and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of registered representatives. Such procedures also must be reasonably designed to achieve compliance with applicable securities laws and regulations and with applicable FINRA Rules.

In connection with the failures to comply with regulatory reporting obligations described above by Crowell Weedon, during the period December 3, 2007 through July 15, 2012, the firm failed to establish and maintain an adequate system to supervise the activities of each registered representative and associated person in a manner designed to ensure that disclosure information was timely submitted, or to detect violations; and to enforce its written supervisory procedures.

The foregoing conduct and practices constitute separate and distinct violations of NASD Rule 3010(a) and 3010(b) and NASD Rule 2110 for conduct occurring before December 15, 2008, and FINRA Rule 2010 thereafter.

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

- 1) Censure;**
- 2) A fine in the amount of \$120,000.00; and**
- 3) DAD shall comply with the following undertakings within the time periods specified below (unless otherwise extended by FINRA staff):**

a. Upon submission of this AWC, an authorized representative of DAD shall certify in writing to FINRA that DAD has reviewed the integration into DAD of the Crowell Weedon system and procedures for complying with its regulatory reporting obligations pursuant to Article V of the FINRA By-Laws and FINRA Rules 1122 and 4530 and that DAD has established a system and procedures reasonably designed to achieve compliance with Article V of the FINRA By-Laws and FINRA Rules 1122 and 4530.

b. Within 30 days following the first anniversary of the acceptance of this AWC, DAD shall conduct an audit, which shall include audit sampling, to assess the effectiveness of its system and procedures for ensuring the timely filing of Forms U5, amendments to Form U4, and amendments to Form U5, for Crowell Weedon for the period March 1, 2014 through February 28, 2015, and shall prepare a written report (Audit Report) summarizing its findings if any, and recommendations. The Audit Report shall describe the method and scope of the audit, list all late filings, if any, identified for the period covered by the audit, and make any appropriate recommendations to improve the firm's system and procedures to prevent late filings.

c. Within 60 days following the first anniversary of the acceptance of this AWC, an authorized representative of DAD shall provide to FINRA staff a copy of the Audit Report and certify in writing that (i) DAD conducted the audit required by paragraph 3.b. above and prepared an Audit Report, (ii) such authorized representative has reviewed the Audit Report, and (iii) DAD has implemented any recommendations set forth therein, or has engaged in a process that will result in the implementation of any such recommendations within a reasonable time period to be specified in such written certification.

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

Respondent 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

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 it;**
- 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 it; 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 it;**
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about its 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 its: (i) testimonial obligations; or (ii) 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 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.**

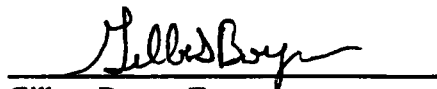
The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to its provisions voluntarily; and that no offer, 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 Respondent to submit it.

Crowell Weedon & Co., by its assignee, D.A.
Davison & Co., as assignee of certain property,
rights, assets, liabilities and obligations of Crowell
Weedon & Co.

04/23/2014
Date (mm/dd/yyyy)

By: Larry Martinez
Larry Martinez
General Counsel,
D.A. Davidson & Co.

Reviewed by:

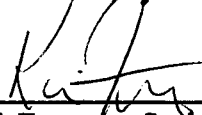


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Accepted by FINRA:

8/6/2014
Date

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



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