

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012030599001**

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

RE: Ariane Capital Partners, LLC (BD No. 36143),
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Ariane Capital Partners, LLC ("ACP" or the "Firm") 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 ACP 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

ACP has been a member of FINRA since November 18, 1994. The Firm maintains its main office in Villanova, Pennsylvania. ACP employs ten registered persons and has one registered branch office.

RELEVANT DISCIPLINARY HISTORY

ACP has no prior relevant formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

FACTS AND VIOLATIVE CONDUCT

From February 25, 2008 to January 2, 2012 (the "Relevant Period"), five ACP representatives used non-ACP email accounts for business-related communications. The Firm was aware of such use and failed to retain and review all of these emails as required by Section 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17a-4 thereunder, NASD Rules 3010(d) and 3110.

In addition, during the Relevant Period ACP failed to preserve emails in the manner required by Exchange Act Rule 17a-4. Specifically, ACP did not have a system to preserve its emails in a non-rewriteable, non-erasable format. Based on the foregoing, the Firm violated NASD Conduct Rules, 3010(d), 3110 and 2110 (for conduct before December 15, 2008), FINRA Rule 2010 (for conduct after December 14, 2008) and Exchange Act Rule 17a-4 and 17a-4(l)(2)(ii).

During the Relevant Period, ACP had written supervisory procedures ("WSPs") that mandated, *inter alia*, the monthly review of correspondence and a record of such reviews. During the Relevant Period, ACP failed to enforce these procedures. Based on the foregoing, the Firm violated NASD Conduct Rules 3010 and 2110 (for conduct before December 15, 2008) and FINRA Rule 2010 (for conduct after December 14, 2008).

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

- A Censure; and
- Fine of \$32,500.

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 its 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

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.

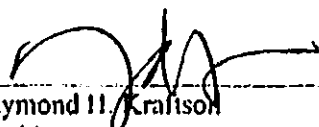
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement 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 understand all of the provisions of this AWC and has 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.

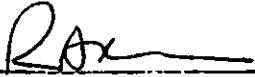
Ariane Capital Partners, LLC.

December 12, 2013.
Date (mm/dd/yyyy)

By: _____


Raymond H. Kraftson
President

Reviewed by:

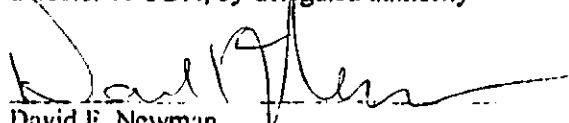


Richard A. Levan, Esq.
Counsel for Respondent
Wiggin and Dana, LLP
50 S. 16th Street, Suite 2925
Philadelphia, PA 19102
(215) 988-8316

Accepted by FINRA:

January 2, 2014
Date

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



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RAYMOND H. KRAFTSON
MANAGING DIRECTOR

Corrective Action Statement

Financial Industry Regulatory Authority
1835 Market Street, Suite 1900
Philadelphia, PA 19103

Ariane Capital Partners LLC hereby submits the following Corrective Action Statement in connection with the attached Acceptance, Waiver and Consent.

When Mr. Kahn advised me, in our office, of the necessity of a third party firm, I checked out available firms and retained Global Relay, a FINRA approved firm, on the spot. Greg was there when I did that and expressed no dissatisfaction whatsoever about my attention to that issue. Also, I have put in the effort and time since then to attend FINRA seminars and boot camps, as well as studying relevant materials to help me in establishing my knowledge and ability in the compliance field. We also are doing due diligence on several firms in the compliance assistance business and are likely to retain one of them soon.

Ariane Capital Partners LLC

By: /s/ Raymond H. Kraftson, Managing Director, CEO and CCO

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.

Ariane Capital Partners is a FINRA registered Broker/Dealer