

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012030670602**

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

RE: Cary L. Olson, Respondent
General Securities Principal
Registered Options Principal
General Securities Representative
Operations Professional
CRD No. 2435229

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

Respondent Cary L. Olson entered the securities industry in December 1993 by applying for registration as an Investment Company and Variable Contracts Products Representative at a FINRA member firm. His registration was approved in January 1994. Olson first became registered as a General Securities Representative in October 1997 and a General Securities Principal in October 2005.

On June 14, 2006, Olson became registered at FINRA member Great Circle Financial (the Firm) as a General Securities Representative and General Securities Principal. On July 6, 2006, Olson also became registered at the Firm as a Registered Options Principal. And on December 14, 2011, he became registered there as an Operations Professional. On July 8, 2013, all of Olson's registrations at the Firm were terminated.

Since November 22, 2013, Olson has been registered as a General Securities Principal, Registered Options Principal, General Securities Representative and Operations Professional at another FINRA member.

RELEVANT DISCIPLINARY HISTORY

In January 2006, Olson consented to the entry of findings by NASD¹ that he exercised discretion in customer accounts without obtaining written authorization from the customers and written acceptance from his member firm. He was suspended from association with all member firms in all capacities for one month and fined \$5,000.

OVERVIEW

Olson made recommendations of non-traditional exchange-traded funds (ETFs) to various customers without having reasonable grounds to believe his recommendations were suitable in relation to the holding periods for the ETFs. He also permitted the execution of options transactions in the account of a customer who was not approved for options activity.

FACTS AND VIOLATIVE CONDUCT

1. Unsuitable Recommendations

From October 28, 2010 through October 22, 2012, Olson recommended and caused to be executed purchase transactions of various leveraged and inverse-leveraged ETFs in the accounts of five customers. The ETFs were designed to achieve their objectives over the course of a single day only. Nevertheless, the ETFs were held for much longer periods of up to 668 days, with an average holding period of 290 days. As evidenced by these extended holding periods, Olson failed to appreciate the nature of the ETFs at the time of his recommendations, to wit, that they were not designed to achieve their objectives for extended holding periods. As such, he did not have reasonable grounds to believe his recommendations were suitable. Olson thereby violated NASD Rule 2310 and FINRA Rule 2010 for the period from October 28, 2010 through July 8, 2012 and FINRA Rules 2111 and 2010 for the period from July 9, 2012 through October 22, 2012.

2 Options Transactions

At all relevant times, Olson was the only appropriately registered principal at the Firm responsible for reviewing and approving options transactions. From January 27, 2011 through May 4, 2012, Olson reviewed and approved 42 purchases and sales of options contracts effected by

¹ FINRA's predecessor.

registered representative JT in the account of customer MC. However, MC's account was never approved for options transactions of any kind. By permitting options transactions to be executed in an account that was not approved for options activity, Olson violated FINRA Rules 2360 and 2010.

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

1. A 45-day suspension from association with all FINRA members in all capacities;
2. A 30-day suspension from association with all FINRA members in all principal capacities, to be served immediately following the conclusion of the suspension in all capacities described above; and
3. A \$15,000 fine.

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

I understand that if I am barred or suspended from associating with any FINRA member in any principal capacity, I become 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, I may not be associated with any FINRA member in any principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because I am subject to a statutory disqualification during the suspension, if I remain associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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

I specifically and voluntarily waive any right to claim that I am 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

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 Chief Legal Officer, 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;
- 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: (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; and
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

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.

1/8/2015
Date (mm/dd/yyyy)

Cary L. Olson
Cary L. Olson, Respondent

Reviewed by:

[Signature]
Thomas Vays, Esq.
Counsel for Respondent
Winget, Spadafora & Schwartzberg, LLP
45 Broadway, 19th Floor
New York, New York 10006
(212) 221-6900

Accepted by FINRA:

1/26/15
Date

Signed on behalf of the
Director of ODA, by delegated authority
[Signature]
John S. Han
Senior Regional Counsel
FINRA Department of Enforcement
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San Francisco, California 94104
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