

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012032027401**

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

RE: Columbus Advisory Group, Ltd. (f/k/a Olympia Asset Management, Ltd.)
BD No. 126331

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Columbus Advisory Group, Ltd. ("Columbus", "Respondent", 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 the Firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Columbus 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

Columbus is a FINRA member and has been since 2003. The Firm maintains its principal place of business in New York, New York. It currently has three branch offices, including its main office, and employs approximately twenty-two registered persons.

RELEVANT DISCIPLINARY HISTORY

In July 2013, pursuant to an AWC with FINRA, Columbus was censured and fined a total of \$22,000 for supervisory failures, failure to file a membership application, advertising, and information barriers (i.e., violations of NASD Rules 1017, 2711, 2210, and 3010, NASD IM-2210-4, FINRA Rule 2010, and Section 15(f) of the Securities Exchange Act of 1934).

In August 2010, pursuant to an AWC with FINRA, Columbus was censured and fined \$10,000 for failing to report ten customer complaints (i.e., violations of NASD Conduct Rules 3070 and 2110).

Columbus has no other relevant formal disciplinary history with the Securities and Exchange Commission, any state securities agency or any self-regulatory organization.

OVERVIEW

From at least April 15, 2010, through April 30, 2012, Columbus charged its customers a fee for handling, in addition to a commission, on securities transactions. The handling fee was fixed at \$40 per transaction. Although reflected on customer trade confirmations as an "Add'l Fee," the fee was not reasonably related to any direct services performed by the Firm, or transaction related expenses incurred by the Firm in processing the transaction, but rather, was effectively an additional commission. While the customer confirmations identified the fee as an "Add'l Fee," the Firm sent email communications and/or letters to customers identifying the fee as a "ticket fee." The characterization of the charge as an "Add'l Fee" or a "ticket fee" was therefore inaccurate and improper.

In addition, in 14 instances, the Firm's registered representatives mischaracterized the fee as having been charged by the Firm's clearing firm when the decision to charge the fee was determined by the Firm's CEO and the proceeds of such fee were included in the Firm's revenue.

FACTS AND VIOLATIVE CONDUCT

1. Handling Fee

NASD Conduct Rule 2430 (Charges for Services Performed) requires charges, if any, for services performed, including miscellaneous services such as collection of moneys due for principal, dividends, or interest; exchange or transfer of securities; appraisals, safe-keeping or custody of securities, and other services, shall be reasonable and not unfairly discriminatory between customers.

Exchange Act Rule 10b-10 (Confirmation of Transactions) requires broker-dealers to disclose specified information in writing to customers at or before the completion of a transaction. Pursuant to Rule 10b-10, it shall be unlawful for any broker or dealer to effect for or with an account of a customer any transaction in, or to induce the purchase or sale by such customer of, any security (other than U.S. Savings Bonds or municipal securities) unless such broker or dealer, at or before completion of such transaction, gives or sends to such customer written notification disclosing, among other things, if the broker or dealer is acting as agent for such customer, for some other person, or for both such customer and some other person, the source and amount of any other remuneration received or to be received by the broker in connection with the transaction.

FINRA Rule 2010 (Standards of Commercial Honor and Principles of Trade) requires that a member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.

From at least April 15, 2010 through April 30, 2012, Columbus charged its customers a fee for handling, in addition to a commission, on securities transactions. The handling fee was fixed at \$40 per transaction and was not attributable to any specific cost or expense incurred by the Firm in executing the trade, or determined by any formula applicable to all customers. The handling fee was determined by the Firm, not by the individual representative executing the order.

Although reflected on customer trade confirmations as an "Add'l Fee," a substantial portion of the fee actually served as a source of additional transaction-based remuneration or revenue to the Firm, in the same manner as a commission, and was not directly related to any specific handling services performed by the Firm, or handling-related expenses incurred by the Firm, in processing the transaction. Columbus' characterization of the charge as being an "Add'l Fee" on customer confirmations and as a "ticket fee" in other correspondence was therefore improper. By designating the charge as such, Columbus understated the amount of total commissions charged by the Firm and misstated the purpose of the fee.

By reason of the foregoing, Columbus violated NASD Conduct Rule 2430, Exchange Act Rule 10b-10 and FINRA Rule 2010.

2. Misleading Communications with the Public

NASD Conduct Rule 2210 governs member communications with the public. Conduct Rule 2210(d)(1) prohibits members and associated persons from making exaggerated, unwarranted or misleading statements in their public communications.

Between August 17, 2010 and June 8, 2011, the Firm, through its registered representatives, sent 14 email communications that contained misrepresentations regarding the source of the "ticket fee" charged on securities transactions. In each instance, a customer inquired and/or complained about the \$40 fee and was told that the fee was charged by Columbus' clearing firm when in fact it was charged by the Firm and included in the Firm's revenue.

By reason of the foregoing, Columbus violated NASD Conduct Rule 2210 and FINRA Rule 2010.

- B. Columbus also consents to the imposition of the following sanctions:

A censure and a \$30,000 fine.

Columbus agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. The Firm has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

The Firm 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 the Firm; and
- C. If accepted:
 - 1. this AWC will become part of the Firm'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 the Firm'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. The Firm 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 the Firm's: (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. The Firm 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 it 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.

8-29-13
Date (mm/dd/yyyy)

Respondent, Columbus Advisory Group, Ltd.

By: [Signature]
Printed Name and Title:

Reviewed by:

8-30-13 [Signature]
Charles O'Rourke
Counsel for Respondent
2 Swenson Drive
Woodbury, NY 11797
Telephone: (516) 677-9785

Accepted by FINRA:

9/23/13
Date

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

[Signature]
Kathryn M. Wilson
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