

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035129702**

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

RE: Avenir Financial Group (BD No. 148490)
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Avenir Financial Group ("Avenir" 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. 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

Avenir has been a member of FINRA since March 2012. Avenir conducts a general securities business, has eight registered branch offices and employs about 24 registered persons.

RELEVANT DISCIPLINARY HISTORY

The Firm does not have any relevant disciplinary history with the SEC, any state securities regulator, FINRA or any other self-regulatory organization.

OVERVIEW

From November 2012 through February 2013, Avenir allowed an individual to associate with the Firm and engage in securities business despite being statutorily disqualified. This conduct violated Article III, Section 3(b) of the FINRA By-Laws and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

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."

Section 3(a)(39) of the Securities Exchange Act of 1934 provides that a person is subject to a "statutory disqualification" with respect to membership or association with a member, "if such person . . . has been convicted of . . . any other felony within ten years of the date of the filing of an application for membership or participation in, or to become associated with a member . . ."

In May 2012, AM pleaded guilty and was convicted of a felony charge of operating a motor vehicle while intoxicated. As a result of this conviction, AM was subject to statutory disqualification and was not permitted to associate with a FINRA member firm without first seeking and obtaining special approval through FINRA's Form MC-400 application process.

From November 2012 through February 2013, while AM remained statutorily disqualified, AM was associated with Avenir and engaged in securities business. During this period, AM worked at an Avenir branch office and, among other activities, contacted former customers and requested that they transfer their accounts to Avenir, solicited new customers, and provided investment advice and recommendations to prospective customers. In messages from his Firm-provided email address, AM identified himself to prospective customers as a "Senior Vice President" at Avenir.

By allowing AM to associate with the Firm while AM was subject to statutory disqualification, Avenir violated Article III, Section 3(b) of the FINRA By-Laws and FINRA Rule 2010.

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

- a censure and a \$10,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. The Firm 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 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.

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 accordance with FINRA Rule 8313;
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: (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 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.

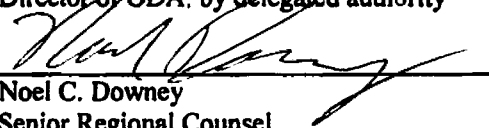
6/10/14
Date (mm/dd/yyyy)

Avenir Financial Group
By: 
Michael T. Clements
Chief Executive Officer

Accepted by FINRA:

7/10/13
Date

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


Noel C. Downey
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