

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013038196001**

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

RE: Craig Shiver Smith, Respondent
Former General Securities Representative and General Securities Supervisor
CRD No. 3103610

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

Craig Shiver Smith was associated as a General Securities Representative and a General Securities Supervisor with Sagepoint Financial, Inc. ("Sagepoint" or the "firm") from November 2009 until his termination on September 5, 2013. Smith is not currently associated with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4(a) of FINRA's By-Laws of the Corporation.

OVERVIEW

Between January and July 2013, Smith engaged in 26 unauthorized trades in connection with one customer's account. Smith also exercised time and price discretion with respect to 29 trades without written authority. By engaging in unauthorized trading, Smith violated FINRA Rule 2010. By exercising discretion without written authority Smith violated FINRA Rule 2510(b). As a result of his violation of FINRA Rule 2510(b), Smith also violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

On or about January 8, 2013, Sagepoint customer GM instructed Smith to immediately sell the equities positions in his account, which totaled approximately \$64,000. Instead of doing as GM requested, in three trades entered between January 24, 2013 and April 25, 2013, Smith used discretion to sell certain of GM's holdings. In addition, between January 11, 2013 and July 24, 2013 Smith made 26 additional purchases and sales of equities in GM's account without GM's knowledge or authorization. Smith performed these unauthorized trades in order to generate commissions.

Smith did not have written discretionary authority for GM's account and was prohibited by firm policy from exercising discretion in the type of account GM held.

FINRA Rule 2010 requires that a registered representative, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade. It is well settled that unauthorized trading in a customer's account is a serious breach of the standards of just and equitable principles of trade and violates Rule 2010. As described above, Smith placed 26 unauthorized purchases and sales in GM's account over a period of more than six months in order to generate commissions. By engaging in unauthorized trading, Smith violated FINRA Rule 2010.

NASD Rule 2510(b) prohibits a representative from exercising time and price discretion in a non-discretionary customer account unless the customer has given prior written authorization and the account has been accepted by the firm. As described above, Smith improperly exercised time and price discretion without written authority by selling certain of GM's securities in three trades entered between 16 and 107 days after receiving GM's sell instruction on January 8, and furthermore improperly exercised discretion without written authority by making 26 additional, wholly unauthorized trades in GM's account. Accordingly, Smith's conduct violated NASD Rule 2510(b). By violating NASD Rule 2510(b), Smith also violated FINRA Rule 2010.

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

A bar from association with any member firm in any capacity.

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).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 prejudice 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;

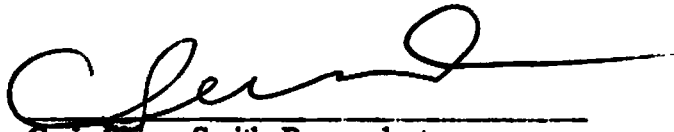
B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and

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.

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.

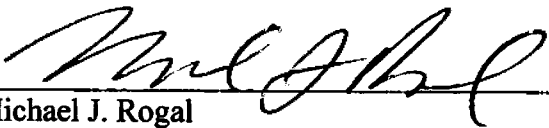
08/04/14
Date (mm/dd/yyyy)


Craig Shiver Smith, Respondent

Accepted by FINRA:

8/26/14
Date

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



Michael J. Rogal
Senior Counsel
FINRA Department of Enforcement
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