

**NASD
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Cardinal Capital Management, Inc.,
CRD No. 24605,

and

Christopher Sweeney,
CRD No. 823375,

Respondents.

Disciplinary Proceeding
No. C07040090

Hearing Officer - SW

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: January 3, 2005.

INTRODUCTION

Disciplinary Proceeding No. C07040090 was filed on November 4, 2004, by the Department of Enforcement of NASD ("Complainant"). Respondents Cardinal Capital Management, Inc. and Christopher Sweeney ("Respondents") submitted an Offer of Settlement ("Offer") to Complainant on December 17, 2004. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, the Respondents have consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondents' permanent disciplinary records and may be considered in any future actions brought by NASD.

BACKGROUND

Respondent Cardinal Capital Management, Inc. became an NASD member in 1989. The firm conducts a general securities business and is headquartered in Miami, Florida. Respondent Christopher Sweeney entered the securities industry in 1981. He has been registered with Cardinal Capital Management since August 1995. During the timeframe discussed herein, Respondent Sweeney served as president of Cardinal Capital Management.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

As alleged in the Complaint, Respondent Cardinal Capital Management, Inc. violated Sections 15 and 17 of the Securities Exchange Act of 1934, and Rules 15g-2, 15g-9, 17a-3 and 17a-4 thereunder, and NASD Conduct Rules 2110, 3010(a) and 3110.

As alleged in the Complaint, Respondent Sweeney violated NASD Conduct Rules 3010(a) and 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondents from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

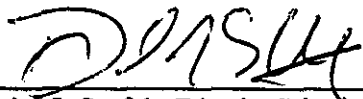
It is ordered that Respondent Cardinal Capital Management, Inc. be censured and fined \$35,000, of which \$10,000 is assessed jointly and severally with Respondent Sweeney. In addition, Cardinal Capital Management, Inc. shall be suspended from engaging in solicited penny stock transactions in customer accounts for eighteen months.

It is ordered that Respondent Sweeney be fined \$10,000 jointly and severally with Cardinal Capital Management, Inc. as noted above, and that he be suspended from association with any NASD member in all principal capacities for six months.

The fines may be paid through NASD's installment payment plan. The effective date of the sanctions shall be determined by NASD.

SO ORDERED.

NASD

By: 

Daniel J. Stefek, District Director
on behalf of the Director of ODA, pursuant to
delegated authority