

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090196528-01

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

RE: Wilson-Davis & Co., Inc., Respondent
Broker-Dealer
CRD No. 3777

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Wilson-Davis & Co., Inc. ("WDCO" 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. The firm 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

WDCO has been a member of FINRA, and its predecessor NASD, since December 23, 1968, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

The firm has no relevant disciplinary history.

SUMMARY

In connection with FINRA Matter No. 20090196528, the Trading Analysis Team ("staff") reviewed the firm's trading activity and supervision of that activity during the period September 28, 2008 through August 31, 2009 (the "review period"), unless otherwise noted.

FACTS AND VIOLATIVE CONDUCT

In connection with FINRA Matter No. 20090196528, the staff found that:

1. During the review period, the firm failed to enforce its written supervisory procedures which specified that transaction reports were part of the firm's review of Customer Transactions and Prohibited Transactions and Practices. The conduct described in this paragraph constitutes a violation of NASD Rules 2110 and 3010 (for conduct prior to December 15, 2008), and FINRA Rule 2010 and NASD Rule 3010 (for conduct on or after December 15, 2008).
 2. The firm's supervisory system failed to establish procedures for the review and endorsement by a registered principal(s) in writing, on an internal record, of all transactions. The conduct described in this paragraph constitutes a violation of NASD Rules 2110 and 3010(d)(1) (for conduct prior to December 15, 2008), and FINRA Rule 2010 and NASD Rule 3010(d)(1) (for conduct on or after December 15, 2008).
- B. The firm also consents to the imposition of the following sanctions:

A censure; a \$12,000 fine; and an undertaking to revise the firm's supervisory system with respect to the review and endorsement by a registered principal(s), in writing, on an internal record, of all transactions. Within 30 business days of acceptance of this AWC by the National Adjudicatory Council ("NAC"), a registered principal of the Respondent shall submit to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850, a signed, dated letter, or an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its supervisory system to address the deficiencies described above; and (3) the date that the revisions were implemented.

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

The firm 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 the firm;
- 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 NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudice 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.

The firm 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

The firm 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 the firm;
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. The firm 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. The firm 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 the AWC's 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.

March 12, 2014
Date

Wilson-Davis & Co., Inc.,
Respondent

By: [Signature]

Name: Lyle W Davis

Title: Sec/Treas

Reviewed by:

[Signature]

Richard F. Ensor, Esq.
Michael Best & Friedrich LLP
6995 Union Park Center, Suite 100
Salt Lake City, Utah 84047
Phone: (801) 833-0500

Counsel for Respondent

Accepted by FINRA:

April 14, 2014
Date

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

[Signature]

Gerard P. Finn
Chief Counsel, Legal Section
Department of Market Regulation