

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 67041 / May 22, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14887

In the Matter of

RICHARD A. FINGER, JR.,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Richard A. Finger, Jr. (“Finger” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Since February 2011, Finger has been the chief executive officer and majority owner of Black Diamond Securities, LLC ("Black Diamond"), a broker-dealer registered with the Commission with offices in Kirkland, Washington. Finger was also a registered representative of several other broker-dealer firms from 2001 through 2010.

2. On April 13, 2012, judgment was entered against Finger based on his guilty plea to one count of wire fraud, in violation of Title 18 United States Code, Sections 1342 and 1343, by the United States District Court for the Western District of Washington, in *United States v. Richard A. Finger, Jr.*, Crim. No. 2:11-cr-00382-RSM-1. As part of the judgment, Finger was sentenced to 54 months in prison and three years of supervised release.

3. The count of the criminal complaint to which Finger pled guilty alleged, *inter alia*, that (a) Finger induced individuals to invest significant sums of money in accounts Finger managed at various broker-dealers, including Black Diamond; (b) when trading these accounts on behalf of his clients, Finger generated significant trading losses and diverted funds to his personal benefit and use by charging excessive commissions; and (c) in order to conceal the trading losses and commissions, Finger provided clients with account statements that falsely reflected that Finger's trading had generated positive returns. As a result of this conduct, Finger defrauded at least ten investors of millions of dollars.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against Respondent, whether or not the Commission has fully or partially

waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary