

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20050001875-01

TO: Market Regulation Department
NASD

RE: Investment Placement Group, Respondent
Broker-Dealer
CRD No. 14458

Pursuant to Rule 9216 of NASD Code of Procedure, Investment Placement Group ("IPGR") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against IPGR alleging violations based on the same factual findings.

IPGR understands that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Market Regulation and National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs, pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against IPGR; and
3. If accepted:
 - a. this AWC will become part of IPGR's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against IPGR;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about IPGR's disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. IPGR 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 allegation in this AWC or create

the impression that the AWC is without factual basis. Nothing in this provision affects IPGR's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

IPGR also understands that its experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

IPGR has been a member of NASD since July 31, 1984 and its registration remains effective. IPGR has no relevant disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

IPGR specifically and voluntarily waives the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against IPGR;
- B. To be notified of the Formal 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, IPGR specifically and voluntarily waives any right to claim bias or prejudgment 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.

IPGR further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of 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.

II.

ACCEPTANCE AND CONSENT

In connection with 20050001875 (MRD200446284), the staff of NASD's Department of Market Regulation (the "staff") conducted a review of IPGR's compliance with the Trade Reporting and Compliance Engine ("TRACE") during the period of January 1, 2004 through March 31, 2004 (the "review period").

- A. IPGR hereby accepts and consents, without admitting or denying the allegations or findings, 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, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by NASD:
1. IPGR failed to report to TRACE the time of execution of 153 transactions in Eastern Standard Time.
 2. The conduct described in paragraph one above constitutes separate and distinct violations of NASD Marketplace Rule 6230(a).
 3. IPGR failed to report to TRACE 185 transactions in TRACE-eligible securities executed on a business day during TRACE system hours within 45 minutes of the time of execution. These late transactions constituted 66 percent of all transaction in TRACE-eligible securities that IPGR was required to report to TRACE during the review period.
 4. The conduct described in paragraph three above constitutes separate and distinct violations of NASD Marketplace Rule 6230(a) and a pattern or practice of late reporting without exceptional circumstances in violation of NASD Conduct Rule 2110.
 5. IPGR failed to report to TRACE the correct time of trade execution for 60 transactions in TRACE-eligible securities.
 6. The conduct described in paragraph five above constitutes separate and distinct violations of NASD Marketplace Rule 6230(c)(8).

7. IPGR's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of NASD, concerning TRACE. Specifically, IPGR's written supervisory procedures providing for: (1) a statement of the supervisory step(s) to be taken by the identified person(s); (2) a statement as to how often such person(s) should take such step(s); and (3) a statement as to how the completion of the step(s) in the written supervisory procedures should be documented.
8. The conduct described in paragraph seven above constitutes separate and distinct violations of NASD Conduct Rules 2110 and 3010.

- B. IPGR also consents to the imposition, at a maximum, of the following sanctions:

A censure and fine of \$15,000. (A fine of \$10,000 for the TRACE violations and fine of \$5,000 for the supervisory procedures.)

The sanctions imposed herein shall be effective on a date set by NASD staff.

III.

OTHER MATTERS

- A. IPGR understands that IPGR may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. IPGR understands that IPGR 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 NASD, nor does it reflect the views of NASD or its staff.
- B. IPGR agrees to pay any monetary sanctions imposed on IPGR upon notice that this AWC has been accepted and that such payments are due and payable and has attached an Election of Payment form showing the method by which IPGR proposes to pay any fine imposed.
- C. IPGR specifically and voluntarily waives any right to claim that IPGR is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

IPGR certifies that IPGR has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce IPGR to submit it.

October 18, 2005
Date

Respondent
Investment Placement Group

By: David Guss
Name: David Guss
Title: Chairman/CEO

Reviewed by:

Counsel for Respondent

Accepted by NASD:

11/23/05
Date

Thomas R. Gira
Thomas R. Gira
Executive Vice President
Department of Market Regulation

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

CORRECTIVE ACTION STATEMENT

This Corrective Action Statement is submitted by Investment Placement Group, ("IPGR"). It does not constitute factual or legal findings by NASD ("NASD") nor does it reflect the views of NASD, or its staff.

IPGR, at all relevant times, had written supervisory procedures designed to detect and prevent late reporting to TRACE. Due to the circumstances set forth in the Mitigation Statement, late reporting was not detected.

IPGR has enhanced its procedures to immediately identify possible violations, daily TRACE reports are monitored daily, as well as monthly TRACE Reports Card is reviewed monthly.

IPGR has also instituted a disciplinary policy that will result in sanctions for failure to comply with TRACE Reporting Rules.

IPGR respectfully requests the NASD take this Corrective Action Statement into Consideration