

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2005000450504

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REGISTRATION & DISCLOSURE

TO: Department of Enforcement
NASD

RE: Empire Financial Group, Inc., Respondent
NASD Member
CRD No. 28759

George R. Cupples
Financial and Operations Principal
CRD No. 4029475

Pamela C. Ohab
Financial and Operations Principal
CRD No. 2700308

Pursuant to Rule 9216 of NASD Code of Procedure, Respondents Empire Financial Group, George R. Cupples and Pamela C. Ohab (collectively, "Respondents") submit 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 Respondents alleging violations based on the same factual findings.

Respondents understand 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 Enforcement and National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), 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 me; and
3. If accepted:
 - a. this AWC will become part of our permanent disciplinary records and may be considered in any future actions brought by NASD or any other regulator against us;
 - b. this AWC will be made available through NASD's public disclosure program in

response to public inquiries about our disciplinary records;

- 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. Respondents 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. Nothing in this provision affects our testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

Respondents also understand that our 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:

George R. Cupples entered the securities industry in August 1999 and became registered as a financial and operations principal, general securities principal and general securities representative with an NASD member in October and November 1999. Cupples was registered as a financial and operations principal, among other things, with NASD member Empire Financial Group from about November 1999 until about May 28, 2004. Cupples currently is registered as a financial and operation principal, general securities principal and general securities representative with an NASD member. He has no disciplinary history.

Pamela C. Ohab entered the securities industry in December 1995 and became registered as a financial and operations principal with an NASD member in about March 1998. She was registered as a financial and operations principal with Empire Financial Group from about June 10, 2004, until about April 1, 2005. Ohab currently is registered as a financial and operations principal with NASD member CS Capital Strategies Financial Group. She has no disciplinary history.

Empire Financial Group became an NASD member on October 25, 1991. It is incorporated in Florida and is headquartered in Longwood, Florida. Empire has no relevant disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

Respondents specifically and voluntarily waive the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against us;
- 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, we specifically and voluntarily waive 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.

We further specifically and voluntarily waive 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

- A. We 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 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. From about November 2003, until February 14, 2005, **Empire Financial Group**, acting through **George R. Cupples** (from about November 2003 until about May 2004), and acting through **Pamela C. Ohab** (from about June 2004 until February 14, 2005), conducted a securities business while failing to maintain the minimum net capital required pursuant to Securities Exchange Act ("SEA") Rule 15c3-1.

Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and SEA Rule 15c3-1 by **Empire Financial Group**, and separate and distinct violations of NASD Conduct Rule 2110 by **Cupples and Ohab**.

2. For each month beginning September 2003, through December 2004, **Empire Financial Group**, acting through **George R. Cupples** (from September 2003 until May 2004), and acting through **Pamela C. Ohab** (from June 2004 through December 2004): (1) prepared and submitted materially inaccurate FOCUS reports; and (2) prepared and maintained materially inaccurate net capital computations.

The preparation and submission of materially inaccurate FOCUS reports constitute separate and distinct violations of NASD Conduct Rule 2110 and SEA Rule 17a-5 by **Empire Financial Group**, and separate and distinct violations of NASD Conduct Rule 2110 by **Ohab** and **Cupples**.

The preparation and maintenance of materially inaccurate net capital computations constitute separate and distinct violations of NASD Conduct Rule 2110, 3110 and SEA Rules 17a-3 and 17a-4 by **Empire Financial Group** and separate and distinct violations of NASD Conduct Rules 2110 and 3110 by **Ohab** and **Cupples**.

3. From about September 2, 2003, until about December 29, 2004, **Empire Financial Group** implemented a material change in business operations by materially increasing the number of equity securities in which it made a market without filing an application for approval with NASD, in violation of NASD Conduct Rule 2110 and Membership and Registration Rules 1011 and 1017.
4. From about February 1, 2003, through about December 8, 2004, **Empire Financial Group** failed to maintain electronic correspondence, in violation of SEA Rules 17a-3 and 17a-4, and NASD Rules 2110 and 3110(a).
5. **Empire Financial Group** violated NASD Conduct Rules 2110 and 3011, and MSRB Rule G-41 in that it:
 - i. Failed to conduct independent testing of its AML compliance program from 2003 - 2005, as required by NASD Conduct Rule 3011(c);
 - ii. As of about June 2005, failed to develop and implement an adequate supervisory system for detecting and reporting suspicious activity, as required by NASD Conduct Rule 3011(a); and
 - iii. As of about June 2005, failed to establish and implement policies, procedures and internal controls reasonably designed to achieve compliance with the Bank Secrecy Act, including an adequate Customer Identification Program, as required by NASD Conduct Rule 3011(b).
6. **Empire Financial Group** violated NASD Conduct Rules 2110 and 3070 in that it:
 - i. During the period from about February 1, 2003, through about May 31, 2005, failed to report one disclosable matter within the time period

prescribed by NASD Conduct Rule 3070(b); failed to report one disclosable matter pursuant to NASD Conduct Rule 3070(b); and failed to report two disclosable matters within the time period prescribed by NASD Conduct Rule 3070 (c); and

- ii. During the period from about June 1, 2005 until about January 6, 2006, failed to report 19 disclosable matters pursuant to NASD Conduct Rule 3070(c).
7. During the period from about March 1, 2005 through about May 31, 2005, Empire Financial Group reported 15 municipal securities transactions late, reported two municipal securities transactions without a price; and reported one municipal securities transaction with an incorrect price, in violation of MSRB Rule G-14.
- B. We also consent to the imposition, at a maximum, of the following sanctions:
- Empire Financial Group:** a \$145,000 fine (\$10,000 of which is joint and several with Respondent Ohab and \$10,000 of which is joint and several with Respondent Cupples).
- George R. Cupples:** a \$10,000 fine (joint and several with Respondent Empire Financial Group); and a 30 business day suspension from association with any NASD member firm in the capacity of a financial and operations principal.
- Pamela C. Ohab:** a \$10,000 fine (joint and several with Respondent Empire Financial Group); and a 30 business day suspension from association with any NASD member firm in the capacity of a financial and operations principal.

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

III.

OTHER MATTERS

- A. Respondents understand that they may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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. Respondents agree to pay any monetary sanctions imposed on us upon notice that this AWC has been accepted and that such payments are due and payable and have attached Election of Payment forms showing the method by which we propose to pay any fine imposed.

- C. Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

Respondents certify that they have read and understand all of the provisions of this AWC and have 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 its submission.

Date

5/15/07

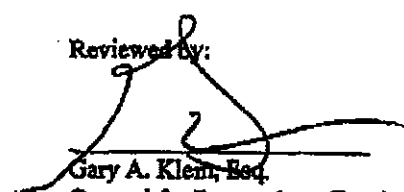
Empire Financial Group

By: 
Donald A. Wojnowski, President

Date

George R. Cupples, Respondent

Reviewed by:


Gary A. Klein, Esq.
Counsel for Respondents Empire Financial Group and Cupples
Klein & Sellah, LLC
2101 N.W. Corporate Blvd
Ste. 216
Boca Raton, FL 33431
561-989-9080

Date

Pamela C. Ohab, Respondent

Reviewed by:

C. Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, any monetary sanction imposed in this manner.

Respondents certify that they have read and understood all of the provisions of this AWC and have 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 its submission.

Date

Empire Financial Group

By: _____
Donald A. Wejnowski, President

5/12/07
Date

George R. Cupples
George R. Cupples, Respondent

Reviewed by:

G. A. Klein, Esq.
Gary A. Klein, Esq.
Counsel for Respondents Empire Financial Group and Cupples
Klein & Sallah, LLC
2101 N.W. Corporate Blvd
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5/19/07
Date

Pamela C. Chab
Pamela C. Chab, Respondent

Reviewed by:

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- C. Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

Respondents certify that they have read and understand all of the provisions of this AWC and have 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 its submission.

Date

Empire Financial Group

By: _____
Donald A. Wojnowski, President

Date

George R. Cupples, Respondent

Reviewed by:

Gary A. Klein, Esq.
Counsel for Respondents Empire Financial Group and Cupples
Klein & Sallah, LLC
2101 N.W. Corporate Blvd
Ste. 216
Boca Raton, FL 33431
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4/30/07
Date

Pamela Ohab
Pamela C. Ohab, Respondent

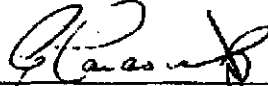
Reviewed by:


Debra A. Jenks, Esq.
Counsel for Respondent Ohab
Dobin & Jenks
120 Intracoastal Pointe Drive
Suite 100
Jupiter, FL 33477
Tel: 561-575-5880 Accepted by NASD:

Accepted by NASD:

7/30/07
Date

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


Gene E. Carasick, Regional Counsel
NASD Department of Enforcement
3490 Piedmont Road, N.E., Ste. 500
Atlanta, GA 30062
404-239-6125
202-721-6536 (fax)

NASD District Director
Daniel J. Stefek, District Director
NASD, District 7
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