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REGISTRATION & DISCLOSURE

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006003714901

TO: Department of Enforcement
NASD

RE: Capital Markets America, Inc., Respondent
Member Firm
BD No. 35232

-and-

Harvey A. Wall, Respondent
Registered Representative
CRD No. 2192530

Pursuant to Rule 9216 of the NASD Code of Procedure, Capital Markets America, Inc. (Capital Markets) and Harvey A. Wall (Wall) 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 us alleging violations based on the same factual findings.

We 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 us; and
3. If accepted:
 - a. this AWC will become part of our permanent disciplinary record 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 record;

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- 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. We 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 our testimonial obligations or right to take legal positions in litigation in which NASD is not a party.

We 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:

Capital Markets has been a member of NASD since March 28, 1994. Capital Markets primarily engages in private placements and mergers and acquisitions. The firm employs only one registered person (Wall). Capital Markets has not previously been the subject of an NASD disciplinary action.

Wall became registered with NASD as a General Securities Representative (Series 7) on November 4, 1991 and as a General Securities Principal (Series 24) and Financial and Operations Principal (Series 27) on October 18, 1993. Wall is currently registered with and has been an owner of Capital Markets America, Inc. since October 18, 1993. Wall has not previously been the subject of an NASD disciplinary action.

I.

WAIVER OF PROCEDURAL RIGHTS

We 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 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.

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:

NASD's Central Registration Depository (Web CRD) permits member firms to perform a pre-registration search on individuals. A member firm, however, must first obtain the written consent of the individual and then affirm the following statement on Web CRD:

By selecting this option, I acknowledge that I am considering this person for registration or assignment to responsibilities subject to federal law or SEC rules governing statutory disqualification and have obtained and will keep on file this person's written consent to review his/her CRD record for that purpose.

From January 31, 2002 through October 27, 2006 (the "relevant period"), Capital Markets, acting through Wall, failed to adopt a supervisory system and written procedures that were reasonably designed to ensure that the required written consent for Web CRD searches was obtained and retained by the firm. Based on this conduct, Capital Markets and Wall violated NASD Conduct Rules 3010 and 2110.

As a result of the supervisory deficiencies, Capital Markets, acting through Wall, failed to obtain and/or retain the required written consent in connection with Web CRD searches of at least 50 individuals conducted during the relevant period. Indeed, the 50 individuals were not seeking employment with the firm. Nevertheless, Wall affirmed to Web CRD that he had obtained and

would keep on file the required written consent in connection with the pre-registration searches of those 50 individuals. Based on this conduct, Capital Markets and Wall violated NASD Conduct Rule 2110.

B. We also consent to the imposition, at a maximum, of the following sanctions:

- Capital Markets is censured and fined \$1,000;¹ and
- Wall is fined \$4,000 and suspended for thirty calendar days from association with any NASD member in any capacity.

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

III.

OTHER MATTERS

- A. We understand that we may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. We understand that we 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. We 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 an Election of Payment form showing the method by which we propose to pay any fine imposed.
- C. We specifically and voluntarily waive any right to claim that we are unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.
- D. Wall understands that if he is barred or suspended from association with any NASD member, he becomes subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, Wall may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.).

¹ Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, NASD imposed a lower fine in this case after it considered, among other things, the firm's revenues and financial resources. See Notice to Members 06-55.

We certify that we 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 us to submit it.

7-18-07
Date

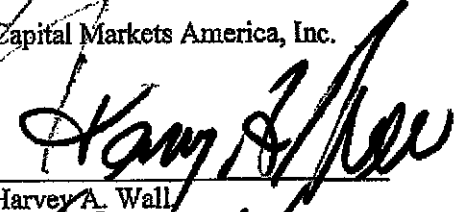
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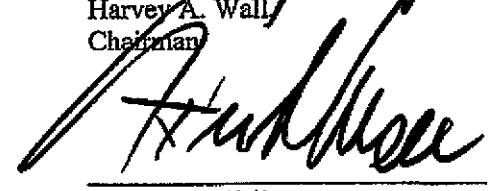
Accepted by NASD:

7.31.07
Date

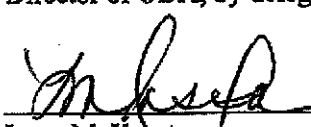
Capital Markets America, Inc.

By:


Harvey A. Wall
Chairman


Harvey A. Wall

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


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