

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006003858001**

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REGISTRATION & DISCLOSURE

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

RE: Access Financial Group, Inc.
(CRD No. 33065)

Pursuant to Rule 9216 of FINRA Code of Procedure, Access Financial Group, Inc. (hereinafter collectively referred to as "Respondent") 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, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings.

Respondent 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 FINRA'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 Respondent; and,
3. If accepted:
 - a. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - b. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - c. FINRA 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. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying,

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directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects Respondent's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent 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:

Access Financial Group, Inc. ("Member") became a member of FINRA on August 24, 1994, and conducts a general securities business on a fully disclosed basis. The Member's membership with FINRA and registration with the SEC remain currently in effect. The Member's prior disciplinary history includes:

AWC E8A040001 in January 2006 that involved:

- excessive mark-ups of between 1.529% to 4.7625% on 54 riskless principal bond transactions during the period of October 2003 through March 2004, and inadequate supervisory procedures for reviewing markups and markdowns assessed on government securities transactions, in violation of Section 17(a) of the Securities Act of 1933 and NASD Rules 2110 and 3010(b);
- the execution of 60 customer transactions in municipal securities, of which nine (15%) were not timely reported, all of which transactions were new issues of municipal securities in violation of MSRB Rule G-14;
- failing to report 176 corporate bond transactions that were TRACE eligible, issued by private issuers and registered under the Securities Act of 1933 or issued pursuant to Rule 144A of the Securities Act of 1933, which were reportable TRACE transactions, from November 28, 2003 through February 27, 2004, in violation of NASD Conduct Rule 2110 and Marketplace Rule 6230; and
- failing to establish, maintain and written supervisory procedures for TRACE reporting, in violation of NASD Rules 2110 and 3010(b), in that there were no written procedures for TRACE Reporting.

The AWC imposed an order for the Member to pay disgorgement of unjust profits in partial restitution to the customers in the total amount of \$23,353.23 for excessive markups, and a fine of \$51,000.

I.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against it;
- 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, Respondent 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.

Respondent 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

- A. Respondent 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:
 - 1. During the relevant time period, MSRB Rule G-14 required all brokers, dealers and municipal securities dealers (collectively "dealers") to report

trades to MSRB within 15 minutes of the time of execution¹ and the MSRB published data about all reported municipal securities transactions, including, but not limited to, time of trade, price and volume information. If municipal trade data is unavailable or incorrect because trades were not reported in a timely manner or included erroneous data, dealers and investors alike, experience harm because they cannot obtain an accurate picture of market activity and prices. Late or inaccurate transaction data may hinder a dealer's ability to price municipal securities accurately for customers, and, in turn, interferes with an investor's decision-making process.²

Additionally, accurate and timely municipal trade reporting forms the primary audit trail for regulators to conduct surveillance for potentially manipulative practices, as well as detect sales practice violations and other violations of the federal securities laws and MSRB rules.

2. During the period from on or about December 1, 2005 through February 27, 2006, the Member executed approximately 145 customer transactions in municipal securities, of which the staff reviewed a sample of 50 transactions executed at the Member's Ohio branch office, none of which were timely reported by the Member's Ohio branch office.

Such acts, practices, and conduct constitute separate and distinct violations of MSRB Rule G-14 by the Member.

3. During the period from on or about December 1, 2005 through February 27, 2006, the staff reviewed a sample of 50 municipal securities transactions. Of the 50 municipal securities transactions that were reviewed, all 50 transactions that were executed at the Member's Ohio branch office, failed to include the date and time of receipt by the Member's Ohio branch office.

Such acts, practices, and conduct constitute separate and distinct violations of MSRB Rule G-8 by the Member.

¹ On January 31, 2005, the reporting requirement changed from midnight of the date that the trade was executed, to within 15 minutes of the trade.

² Since 1994, FINRA and the MSRB have repeatedly advised dealers of their responsibility to report transactions accurately. See "Enforcement Initiative," *MSRB Reports*, Vol. 14, No. 3 (June 1994) at 35; FINRA *Regulatory and Compliance Alert*: "Introducing Firm Responsibility When Reporting Municipal Trades Through Service Bureaus and Clearing Firms" (Winter 2000); FINRA *Regulatory and Compliance Alert*: "Municipal Securities Transaction Reporting Compliance Information" (Spring 2001); and FINRA *Notice to Members 03-13*: "MSRB Rules G-12 and G-14" jointly issued with the MSRB in March 2003 as MSRB *Notice 2003-7*. The MSRB has also advised dealers of their responsibility to ascertain the market value of municipal securities they trade so their customers receive prices that are reasonably related to the market value of the securities (See MSRB *Notice 2004-3*: "Review of Dealer Pricing Responsibilities," January 26, 2004).

4. During the period from on or about December 1, 2005 through February 27, 2006, the Member violated MSRB Rule G-27 by failing to establish, maintain and enforce adequate written supervisory procedures designed to achieve compliance with applicable securities laws and regulations, in that the Member failed to establish adequate procedures for the timely reporting of municipal securities transactions to the MSRB as required by MSRB Rule G-14.
5. During the period from on or about December 1, 2005 through February 27, 2006, the Member executed 82 corporate bond transactions issued by private issuers and registered under the Securities Act of 1934 or issued pursuant to Rule 144A of the Securities Act of 1934, that were eligible for reporting to the Trade Reporting and Compliance Engine ("TRACE"). The staff reviewed a sample of 37 transactions, all executed and reported by the Member's branch office, of which:
 - a) 24 transactions were reported late in that they were not reported within 15 minutes of execution; and transactions with a customer did not have a time of receipt.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and NASD Marketplace Rule 6230.

- b) four transactions were not reported in that three transactions were reported with the incorrect execution time and one trade was reported with the incorrect capacity; and
- c) 18 of the 24 transactions that were reported late to TRACE had corporate bond order memoranda that were incomplete in that, among other things, nine out of nine order tickets for agency transactions did not include a time of receipt or time of entry; and nine out of a total of nine order tickets for principal transactions did not include a time of receipt.

Such acts, practices, and conduct constitute separate and distinct violations of the requirements of NASD Conduct Rule 2110 and SEC Rule 17a-3.

6. From December 1, 2005 through February 27, 2006, the Member failed to establish, maintain and enforce adequate written supervisory procedures that were reasonably designed to achieve compliance with the applicable transaction reporting requirements under NASD Rules related to TRACE Reporting, in that the procedures did not address the reporting requirements of NASD Marketplace Rule 6230.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3010.

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

1. Censure of the Member;
2. A fine of \$45,000 against the Member.

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

III.

OTHER MATTERS

- A. Respondent understands that it may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent also 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.
- B. Respondent agrees to pay any monetary sanctions imposed on it 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 it proposes to pay any fine imposed.
- C. Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

Respondent certifies that a duly authorized representative 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 Respondent to submit it.

9/14/07
Date

Access Financial Group, Inc.

[Signature]
By VICTORIA GILIAS
Its C.E.O.

Reviewed by:

[Signature]
Counsel for Respondent

Accepted by FINRA:

October 1, 2007
Date

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

[Signature]
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