

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20060039805

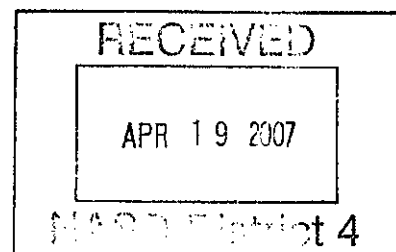
To: Department of Enforcement
NASD

Re: ING Financial Partners, Inc.
Member (CRD No. 2882)

Pursuant to Rule 9216 of the NASD Code of Procedure, ING Financial Partners, Inc. (IFP), submits this Letter of Acceptance, Waiver and Consent 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 IFP alleging violations based on the same factual findings.

IFP 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 Enforcement and National Adjudicatory Council Review Subcommittee or Office of Disciplinary Affairs, pursuant to NASD Procedural Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against IFP; and
3. If accepted:
 - a. this AWC will become part of IFP's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against IFP;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about IFP's disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Procedural Rule 8310 and IM-8310-2; and
 - d. IFP 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 IFP's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.



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

IFP has been a member of NASD since August 1968. During all periods mentioned herein, IFP was a registered broker-dealer with the United States Securities and Exchange Commission and a member of NASD, which registration and membership remain currently in effect. IFP has been the subject of four NASD formal disciplinary actions in the past five years, but none of those disciplinary actions is relevant to the present matter.

I. WAIVER OF PROCEDURAL RIGHTS

IFP 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 IFP;
- 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, IFP 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.

In addition, IFP specifically and voluntarily waives any right to claim that a person violated the *ex parte* prohibitions of NASD Procedural Rule 9143 or the separation of functions prohibitions of NASD Procedural 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. IFP hereby accepts and consents, without admitting or denying the allegations or findings, and solely for the purposes of this proceeding and any other proceeding in 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:

Customer Protection -- Reserves and Custody of Securities **SEC Rule 15c3-3 and NASD Conduct Rule 2110**

1. From December 1, 2005 through January 21, 2006, IFP processed approximately 18,776 application way purchase transactions. Approximately 3,779 of these application way transactions were processed with checks. Of the 3,779 checks submitted with application way business, IFP failed to promptly forward checks to issuers or return checks to customers in 343 instances.
 2. By failing to promptly forward or return 343 checks submitted with application way business during the relevant time period, IFP did not comply with the requirements of the exemption set forth in SEC Rule 15c3-3(k)(2)(ii). Thus, IFP became fully subject to the requirements of SEC Rule 15c3-3. Because IFP was operating under an exemption to the Rule, it did not meet all of the requirements of SEC Rule 15c3-3, including the requirement to maintain a Special Reserve Account for the Exclusive Benefit of Customers pursuant to SEC Rule 15c3-3(e).
 3. Through this conduct, IFP violated SEC Rule 15c3-3 and NASD Conduct Rule 2110.
- B. IFP also consents to the imposition, at a maximum, of the following sanction:
1. A censure and a fine of \$10,000.

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

III. OTHER MATTERS

- A. IFP understands that it may attach a Statement of Corrective Action to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. IFP 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 NASD, nor does it reflect the views of NASD or its staff.
- B. IFP 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 as noted above and has attached an Election of Payment form showing the method by which it proposes to pay any fine imposed.

