

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT

NO. 20060042298-01

2008 NOV -3 P 12:41

NASD REGULATION, INC.
MARKET REGULATION

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2008 DEC -1 P 4:36

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

RE: Access Securities, Inc., Respondent
Broker-Dealer
CRD No. 22455

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

I.

ACCEPTANCE AND CONSENT

- A. The firm 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:

BACKGROUND

The firm has been a member of FINRA since October 17, 1988 and its registration remains in effect. The firm has no relevant disciplinary history.

FACTS AND VIOLATIVE CONDUCT

In 20060042298, the staff of FINRA's Department of Market Regulation ("staff") reviewed the firm's compliance with Regulation SHO during the period July 1, 2005 through October 31, 2005 (the "review period").

1. During the review period, the firm, on 21 occasions, accepted a short sale order in an equity security from another person, or effected a short sale in an equity security for its own account, without documenting compliance with SEC Rule 203(b)(1) of Regulation SHO. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 203(b)(1) of Regulation SHO.

20060042298 (incl. 20060055749) (lc)

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In 20060055749, the staff conducted a Trading and Market Making Surveillance ("TMMS") Examination of the firm. The staff reviewed the items noted in Exhibit 1 to this AWC.

2. The firm failed to report to the Nasdaq Market Center ("NMC") the correct symbol indicating whether the transaction was a buy, sell, sell short, sell short exempt or cross for four transactions in Reportable Securities. The firm also failed to report to the NMC the correct symbol indicating whether the firm executed five transactions in Reportable Securities in a principal or agency capacity. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6130(d).
3. The firm transmitted to OATS 32 reports that contained inaccurate, incomplete, or improperly formatted data. Specifically, in 30 reports, the firm failed to submit the "not held" handling code and in two reports, the firm submitted an incorrect account type code. These inaccurate and/or incomplete reports represented 66 percent of the sample of reports that the firm transmitted to OATS on the trade dates reviewed in the TMMS examination. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rule 6955(a).
4. ~~The firm executed two short sale orders and failed to properly mark the order~~ tickets as short for those orders. The firm also failed to show the following: the correct order receipt time on the memorandum of 12 brokerage orders; the correct order receipt time and the execution time for each partial execution on the memorandum of one brokerage order; the correct time of execution on the memorandum of three brokerage orders; and the correct time of execution and the share amount for each partial execution on the memorandum of two brokerage orders. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 17a-3 and NASD Conduct Rule 3110.

B. The firm also consents to the imposition of the following sanctions:

A censure and a fine of \$17,000 (consisting of \$7,500 for Reg SHO in 20060042298; and \$5,000 for trade reporting, 2,000 for OATS, and \$2,500 for recordkeeping violations in 20060055749).

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm 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 the firm;
- 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 National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm 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.

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

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;

B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and

C. If accepted:

1. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
4. The firm 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. The firm may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm 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.

The firm certifies that it has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

10/30/08

Date

Respondent

Access Securities, Inc.

By:

Shari Jacobson

Name:

Shari Jacobson

Title:

Chief Compliance Officer

Reviewed by:

Scott Gutmanstein

Attorney Name - Scott Gutmanstein

Lehman & Eilen LLP

50 Charles Lindbergh Boulevard

Uniondale, NY 11553-3612

Accepted by FINRA:

12/1/08

Date

Signed on behalf of the

Director of ODA, by delegated authority

Thomas R. Gira

Thomas R. Gira

Executive Vice President

Department of Market Regulation

Exhibit 1

NASD staff reviewed the following samples during the TMMS examination in 20060055749:

<u>Sample Size</u>	<u>Review Area</u>	<u>Sample Source</u>
207	Customer and proprietary sale transactions, for compliance with SEC Rules 200(g) and/or 203(b),	from trade dates May 3 & 4, 2006.
18	Customer and proprietary sales, for compliance with NASD Rule 6130 (ACT Short Sale Reporting),	from trade dates May 3 & 4, 2006.
2	Limit and market orders executed in a principal or riskless principal capacity, for compliance with capacity reporting under NASD Trade Reporting and ACT rules,	from trade dates May 3 & 4, 2006.
4	Orders for NASDAQ securities in soft dollar accounts and 0 related executions, for compliance with trade reporting rules and the safe harbor limitations of SEC section 28(e),	from the month of May 2006.
10	Customer transactions in OTCBB and OTC equity securities, for compliance with NASD Rules 3110(b) and 2320,	from trade dates May 3 & 4, 2006.
N/A	Orders in securities for which the Firm was a market center, for compliance with the order size/type classification requirements of SEC Rule 605.	N/A
N/A	Security/size/order data statistics published on the Firm's monthly order execution report, for compliance with SEC Rule 605.	N/A
N/A	Data published on the Firm's quarterly order routing report, for compliance with SEC Rule 606,	from the quarterly report ending March 2006.
1	Canceled transactions in compliance with NASD Rules 4632(g), 4642(g), 4652(g), 6420(f), 6620(f) and SEC Rule 17a-3(a)(6) and (a)(7),	from trade dates May 3 & 4, 2006.
15	Persons engaged in the Firm's trading and market making activities, for compliance with NASD Registration rules,	from trading staff in May 2006.
82	Order/trade records prepared and maintained in connection with the above samples, for general compliance with NASD Rule 3110 and SEC Rules 17a-3 and 17a-4,	from various trade dates in May 2006.
39	Trades reported to ACT or TRACS in connection with the above samples, for general compliance with NASD Trade Reporting and ACT rules,	from various trade dates in May 2006.

<u>Sample Size</u>	<u>Review Area</u>	<u>Sample Source</u>
36	Orders in NNM or SC securities submitted to OATS, for compliance with NASD Rule 6955,	from trade dates May 3 & 4, 2006.
31	Customer trade confirmations reviewed in connection with the above samples, for compliance with SEC Rule 10b-10,	from trade dates May 3 & 4, 2006.
N/A	The firm's establishment and implementation of "regular & rigorous" reviews of the execution quality of orders sent to other market centers and internalized, for compliance with NASD Rules 2320 and 3010.	N/A
N/A	The Firm's establishment and implementation of a supervisory system and written supervisory procedures, for compliance with NASD Rule 3010	based on WSPs in effect during May 2006.