

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. ~~20060048009~~-01

TO: Department of Enforcement
NASD

RE: VanthedgePoint Securities LLC, Respondent
BD No. 133097

and

Geoffrey Tudisco, Respondent
CRD No. 3076410

Pursuant to Rule 9216 of NASD Code of Procedure, VanthedgePoint Securities LLC ("VPS" or "the firm") and Geoffrey Tudisco ("Tudisco") (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 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 Respondents' disciplinary record;

- 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 finding in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects Respondents' 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 their 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:

VPS became a member of NASD on March 31, 2005.

Tudisco first became registered with NASD as a General Securities Representative and General Securities Principal on March 31, 2005 through an association with VPS. He is the firm's President and Chief Compliance Officer.

Neither VPS nor Tudisco have any relevant formal disciplinary history with the Securities and Exchange Commission or any state regulator or agency or any self-regulatory organization.

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, Respondents 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.

Respondents 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. Respondents 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. *VPS, acting through its President and Chief Compliance Officer, Tudisco, underwent two material changes in its business operations without first receiving NASD approval for those changes. Specifically:*
 - a. From February 16, 2006 through November 21, 2006, VPS, acting through Tudisco, operated an omnibus broker-dealer ("OBD") business, which increased its required minimum net capital from \$5,000 to \$250,000, without NASD approval to effect such a material change in its operations. Tudisco knew that operating an OBD business without NASD approval would violate NASD rules.
 - b. From June 1, 2006 through November 21, 2006, VPS, acting through Tudisco, conducted an options business without NASD approval to effect such a material change in its operations.. Tudisco knew that operating an options business without NASD approval would violate NASD rules.

VPS did not seek approval from NASD for its OBS business until March 8, 2006. VPS did not seek approval from NASD for its options business until August 15, 2006 (when it filed a joint application for approval for both its OBD and options businesses). Its joint application was approved on November 21, 2006.

By reason of the foregoing, VPS and Tudisco, violated NASD Membership and Registration Rule 1017(a) and NASD Conduct Rule 2110.

2. On the following dates, VPS, acting through Tudisco, engaged in a securities business while it failed to maintain sufficient net capital. Specifically:
 - a. On Thursday, February 16, 2006, VPS's minimum net capital requirement was \$250,000. On this day, while conducting a securities business, VPS, acting through Tudisco, maintained net capital of \$1,641.12, a deficiency of approximately \$248,358.88.
 - b. On Tuesday, February 21, 2006, VPS's minimum net capital requirement was \$250,000. On this day, while conducting a securities business, VPS, acting through Tudisco, maintained net capital of \$1,433.23, a deficiency of approximately \$248,566.77.

By reason of the foregoing, VPS violated SEC Rule 15c3-1 and NASD Conduct Rule 2110, and Tudisco violated NASD Conduct Rule 2110.

3. From at least February 2, 2006 through early March 2006, VPS failed to maintain a general ledger. By reason of the foregoing, VPS violated SEC Rule 17a-3(a) and NASD Conduct Rules 3110(a) and 2110.

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

- VPS and Tudisco to be jointly and severally fined \$17,500;
- VPS to be fined an additional \$500¹; and
- VPS and Tudisco to be censured.

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

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

III.

OTHER MATTERS

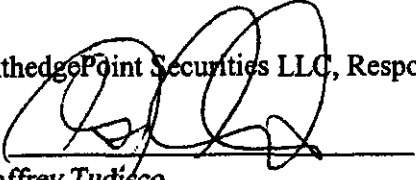
- A. Respondents understand that they may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they may not deny the charges or make any statement that is inconsistent with the AWC in this 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 them 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 they 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 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.

1/16/07
Date

VanthedgePoint Securities LLC, Respondent

By: 
Geoffrey Tudisco
President and Chief Compliance Officer

Accepted by NASD:

February 26, 2007
Date

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


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