

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006005166801**

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REGISTRATION & DISCLOSURE

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

RE: Leslie C. Stipek, Respondent
Investment Company Products/Variable Contracts Representative, Investment Company
Products/Variable Contracts Principle and Introducing Broker/Dealer Financial and
Operations Principal
CRD No. 1200931

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Leslie C. Stipek, submit 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I 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 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

Between December 1983 and October 1990, Stipek was associated with various members of FINRA (f/k/a National Association of Securities Dealers or NASD). From on or about October 12, 1999 through September 29, 2006, Stipek was associated with Stipek Securities, LLC, a member of FINRA, as an Investment Company Products/Variable Contracts Representative, Investment Company Products/Variable Contracts Principle and Introducing Broker/Dealer Financial and Operations Principal. Stipek is not currently associated with any FINRA member.

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RELEVANT PRIOR DISCIPLINARY HISTORY

Respondent has been the subject of the following disciplinary actions:

- On June 29, 2006, the California Department of Corporations issued a Desist and Refrain Order against Stipek, Stipek Securities, LLC and Stipek Financial Services, LLC for unqualified sales of securities, fraud and unlicensed broker-dealer activity. Subsequently, on August 8, 2006, the Department issued an order revoking Stipek Securities, LLC's certificate as a broker-dealer and barring Stipek from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser.
- On July 5, 2006, FINRA suspended Stipek Securities, LLC's registration for failure to pay arbitration proceeding fees in Arbitration Case No. 06-01073.
- On July 18, 2006, FINRA suspended Stipek Securities, LLC's registration and Stipek's registration for failure to comply with an arbitration award in Arbitration Case No. 05-01850.
- On September 29, 2006, FINRA cancelled Stipek Securities, LLC's registration for failure to pay arbitration proceeding fees in Arbitration Case No. 06-01073.

OVERVIEW

Stipek, while registered as an investment company products and variable contracts principal with Stipek Securities, LLC, acted through Stipek Financial Services, LLC, as an unregistered broker-dealer by engaging in the business of effecting transactions in securities on behalf of customers. Stipek also failed to appear or provide on-the-record testimony pursuant to Procedural Rule 8210.

FACTS AND VIOLATIVE CONDUCT

1. Acting as an Unregistered Broker-Dealer

From October 19, 1999 through September 29, 2006, Stipek was the owner, managing member, chief compliance officer and sole principal of Stipek Securities, LLC.

Beginning in or about January 2000, Stipek conducted business through Stipek Financial Services, LLC (SFS), a limited liability company. Stipek acted as the sole managing member of SFS. SFS was not a member of FINRA.

Between January 2000 and December 2003, Stipek, acting through SFS, engaged in sales of securities in the form of Universal Leases issued by Yucatan Resorts, S.A. and Resort Holdings International S.A., to 129 customers who invested approximately \$8,063,225. Stipek, acting through SFS, received commissions for these sales of securities totaling approximately \$1,248,340.

By virtue of the conduct described above, SFS, acting through Stipek, acted as a broker-dealer without being registered with the United States Securities and Exchange Commission pursuant to Section 15 of the Securities Exchange Act of 1934.

These acts, practices and conduct constitute separate and distinct violations of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] and NASD Conduct Rule 2110 by Stipek.

2. Failure to Provide On-The-Record Testimony

On or about February 21, 2007, the staff requested that Stipek appear and provide on-the record testimony pursuant to Procedural Rule 8210 regarding his sales of securities through SFS. Stipek failed to appear or provide on-the-record testimony at the FINRA District office located in Los Angeles, California.

Such acts, practices and conduct constitute a violation of NASD Procedural Rule 8210 and NASD Conduct Rule 2110 by Stipek.

OTHER FACTORS

B. I also consent to the imposition of the following sanctions:

A bar from associating with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I may not be associated with any FINRA 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.)

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to NASD IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- 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, I 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.

I further specifically and voluntarily waive 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

I understand 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 me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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. I 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. I 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 my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its 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 me to submit it.

11-1-07
Date

Leslie C. Stipek
Leslie C. Stipek,
Respondent

Accepted by FINRA:

December 5, 2007
Date

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

Jill L. Jablonow
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FINRA Department of Enforcement
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