

12-21-07:04:32PM:

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2007-12-20 18:20:34 (GMT)

12125049574 From: Liam OBrien

Sent By: NASD;

8164215028;

Dec-20-07 10:41AM;

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**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 200600944313**

**To: Department of Enforcement
Financial Industry Regulatory Authority**

**Re: Danny Ray Woosley
Investment Company and Variable Contracts Products Representative
CRD No. 4379663**

Pursuant to NASD Rule 9216 of FINRA Code of Procedure, I, Danny Ray Woosley (Woosley) 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 Woosley alleging violations based on the same factual findings described herein.

I. ACCEPTANCE AND CONSENT

- A. Woosley 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

Woosley entered the securities industry in March 2001, when he associated with FFP Securities, Inc. (FFP), and became registered with FINRA (f/k/a NASD) as an investment company and variable contracts products representative. From January 31, 2003 through October 7, 2004, Woosley was associated with Waterstone Financial Group, Inc. (Waterstone), and was registered with FINRA as an investment company and variable contracts products representative. From December 17, 2004 through June 13, 2007, Woosley again associated with FFP, and was registered with FINRA as an investment company and variable contracts products representative.

Woosley is currently associated with Brookstone Securities, Inc., and is registered with FINRA as an investment company and variable contracts products representative.

Consequently, FINRA has jurisdiction over Woosley.

Relevant Prior Disciplinary History

Woosley has not been the subject of prior formal disciplinary action by FINRA.

Facts and Violative Conduct by Respondent

In November 2003, Woosley referred a potential investor, L.W., to a third-party entity, Tradewinds Real Estate Holdings, LLC (Tradewinds), for a consultation regarding L.W.'s potential purchase of timeshare condominium interests. These timeshare condominium interests were offered through Resort Holding International, S.A. (Resort Holding) and were sold in the

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form of Universal Leases. In January 2004, Woosley referred his mother, S.W., to Tradewinds for a consultation regarding her potential purchase of timeshare condominium interests. L.W. and S.W. ultimately purchased a Resort Holding Universal Lease interest. The Resort Holding Universal Lease interests were securities due to, among other things, the relatively high rate of return promised, which was approximately 9%.¹

Woosley referred L.W. and S.W. to Tradewinds while Woosley was associated with Waterstone. Woosley did not provide Waterstone with written notice, prior to each investor's investment in Resort Holding, describing with specificity the proposed transaction, and the fact that he referred them to Tradewinds. Further, Waterstone did not approve, in writing, Woosley's referral of L.W. and S.W. to Tradewinds for a consultation regarding their prospective purchase of Resort Holding interests.

Woosley's conduct violated NASD Conduct Rules 3040 and 2110.

B. Woosley also consents to the imposition of the following sanctions:

1. a 10-business day suspension from association with any FINRA member in any capacity; and
2. a fine of \$5,000.

Woosley agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Woosley has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Woosley specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

¹The SEC filed an action in the United States District Court for the Northern District of Illinois against Resort Holding and other affiliated persons and entities. *SEC v. Michael E. Kelly, et al.*, Complaint No. 07C4979 (N.D. Ill. Sep. 3 2007). In that matter, the SEC took the position that the Resort Holding interests are securities.

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II. WAIVER OF PROCEDURAL RIGHTS

Woosley 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 him;
- 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, Woosley 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.

Woosley further specifically and voluntarily waives any right to claim that a person violated the anti-retaliation 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.

III. OTHER MATTERS

Woosley 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 Procedural Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Woosley; and
- C. If accepted:
 - 1. this AWC will become part of Woosley's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;

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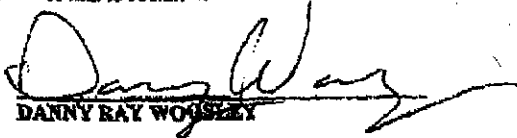
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2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Woosley's disciplinary record;
 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Procedural Rule 8310 and IM-8310-3; and
 4. Woosley may not take any action or state 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. Woosley 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 Woosley's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Woosley may attach a Statement of Corrective Action to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Woosley understands that he 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.
- E. Woosley understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, Woosley 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.)

Woosley certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has 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 him to submit it.

Date:

12/21/07
DANNY RAY WOOSLEY

Reviewed by:

Counsel for Respondent Woosley

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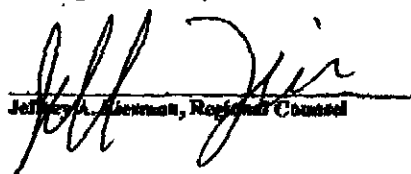
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Accepted by FINRA:

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

1-16-08
Date


Jeffrey A. Bennett, Regional Counsel