

RECEIVED

2008 JUL 27 P 11:30

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENTNO. ~~200607232101~~

2006007232101

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

RE: Edward Helms, Respondent
Registered Representative
CRD No.1697404

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I [or Respondent] 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

Helms entered the securities business in 1987 as a registered representative of a FINRA member. Since that time, he has been registered continuously with FINRA members as a representative and is currently registered with a member firm. Helms does not have a disciplinary history.

OVERVIEW

Between December 7, 2005 and June 30, 2006, Helms borrowed approximately \$134,800.00 from a customer of his employing broker-dealer. The broker-dealer did not have written procedures affirmatively permitting representatives to borrow money from or lend money to customers and the loans did not meet the conditions set forth in Conduct Rule 2370.

000098209 2008

FACTS AND VIOLATIVE CONDUCT

1. Between December 7, 2005, and June 30, 2006, Helms borrowed money from customer JH as set forth below:
 - a. December 7, 2005: \$50,000.00
 - b. February 10, 2006: \$50,000.00
 - c. June 30, 2006: \$34,773.22
2. Helms's employer-member did not have written procedures allowing representatives to borrow money from, or lend money to, customers. Further, the loans did not fall within the enumerated categories of permissible loans set forth in the Rule.
3. Each instance in which Helms borrowed money from customer JH when his employer's written procedures did not permit such loans constituted a separate and distinct violation of Conduct Rules 2370 and 2110.

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

A suspension from association with any member of FINRA in any capacity for 30 calendar days and a fine in the amount of \$5,000.00.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I have submitted a sworn financial statement and demonstrated a limited ability to pay. In light of my financial status, a fine of \$5,000.00 has been imposed.

My limited ability to pay has been considered in connection with the monetary sanctions imposed in this matter. I specifically and voluntarily waive any right to claim that I am unable to pay at any time hereafter the monetary sanction(s) imposed in this matter.

I understand that if I am 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, during the period of the suspension. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the suspension. (See NASD Rule 8310 and IM-8310-1.)

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

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

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

5/22/08

Edward Hulse

Counsel for Respondent

07/24/08

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

5