

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007011288401

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

RE: Commonwealth Church Finance, Inc. d/b/a Charter Financial Services, Respondent
Member
[BD No. 11768]

[REDACTED] General Securities Representative, General Securities Principal,
and Introducing Broker-Dealer/Financial and Operations Principal
[CRD No. [REDACTED]]

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Respondents 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 us alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. We 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

Commonwealth Church Finance, Inc., d/b/a Charter Financial Services ("Commonwealth") is currently, and was during all times relevant hereto, a member of FINRA, and registered as a broker/dealer with the United States Securities and Exchange Commission. Commonwealth became registered with FINRA in June 1983, and is engaged primarily in the sale of church bonds. Commonwealth is an introducing firm that clears its transactions on a fully disclosed basis and operates pursuant to Securities Exchange Act of 1934 ("SEA") Rule 15c3-1(a)(2)(vi) as a \$5,000 broker/dealer.

[REDACTED] entered the securities industry in October 1983, when he was registered as an investment company and variable contracts products representative by a FINRA member. Subsequently, [REDACTED] became registered as a general securities representative, a general securities principal, and an introducing broker-dealer/financial and operations principal. [REDACTED] was employed by several different FINRA member firms before he was registered with Commonwealth in October 1992. [REDACTED] is currently registered by Commonwealth and serves as its Financial and Operations Principal ("FINOP").

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REGISTRATION & DISCLOSURE

RELEVANT PRIOR DISCIPLINARY HISTORY

Commonwealth has previously been the subject of an AWC issued by FINRA on October 5, 2007, citing violations of violations of SEA Sections 10(b), 15(c) and 17(a), SEA Rules 10b-9, 15c2-4, 15c3-1, and 17a-3 thereunder, and NASD Conduct Rules 2110 and 3110. The AWC imposed a censure and fine of \$20,000 for failing to maintain required minimum net capital and for contingent offering and escrow account violations.

OVERVIEW

Commonwealth, acting through [REDACTED] its financial and operations principal, conducted a securities business while failing to maintain its required minimum net capital on October 16, 2007, and maintained inaccurate books and records, in violation of SEA Section 15(c) and 17(a), SEA Rules 15c3-1 and 17a-3, and NASD Conduct Rules 2110 and 3110.

FACTS AND VIOLATIVE CONDUCT

Commonwealth Church Finance, Inc. conducted a securities business while failing to maintain its required net capital as of October 16, 2007. Specifically, Commonwealth had negative net capital of \$35,231 on October 16, 2007 and a net capital deficiency of \$48,151. In addition, Commonwealth's books and records were inaccurate based upon its failure to accrue liabilities.

[REDACTED] serves as Commonwealth's FINOP and, as such, is responsible for ensuring that Commonwealth maintains adequate net capital and accurate books and records. [REDACTED] failed to ensure that Commonwealth maintained adequate net capital and accurate books and records as of October 16, 2007.

Such acts, practices and conduct constitute separate and distinct violations of SEA Sections 15(c) and 17(a) and SEA Rules 15c3-1 and 17(a), as well as of NASD Conduct Rules 2110 and 3110 by Commonwealth Church Finance, Inc.; and of NASD Conduct Rule 2110 by [REDACTED].

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

Commonwealth Church Finance, Inc.

A censure and fine of \$10,000 (\$5,000 of which is joint and several with [REDACTED]).

[REDACTED]
A censure and fine of \$5,000, to be imposed jointly and severally with Commonwealth.¹

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

¹ The AWC imposes a total fine of \$10,000.

We specifically and voluntarily waive any right to claim that we are 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.

II.

WAIVER OF PROCEDURAL RIGHTS

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

Further, we specifically and voluntarily waive any right to claim bias or prejudice 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.

We 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

We 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 us; and

C. If accepted:

1. This AWC will become part of our permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against us;
2. This AWC will be made available through FINRA's public disclosure program in response to public inquiries about our 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. 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. We 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 our right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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

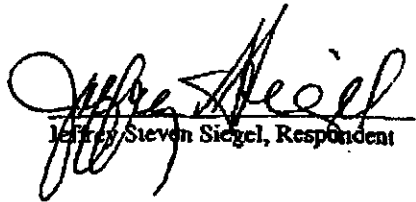
We certify that we have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that we have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce us to submit it.

Commonwealth Church Finance, Inc.
d/b/a Charter Financial Services

10/27/08

Date

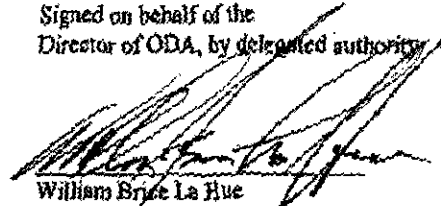
By: 
Aaron D. Turner, President


Steven Siegel, Respondent

Accepted by FINRA:

12/12/08
Date

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



William Bruce La Rue
Regional Counsel
FINRA, Department of Enforcement
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