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REGISTRATION & DISCLOSURE

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070087996-01**

**To: Department of Enforcement
FINRA**

**Re: Professional Investment Services, Inc.
Member (CRD No. 13703)**

and

**Don Howard Ehling
General Securities Principal and Introducing Broker-Dealer/
Financial and Operations Principal
(CRD No. 76203)**

Pursuant to Rule 9216 of the FINRA Code of Procedure, Professional Investment Services, Inc. (Professional Investment) and Don Howard Ehling (Ehling) 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

Professional Investment has been a member of FINRA (f/k/a NASD) since September 13, 1983, conducting a general securities business from its main office in Winfield, Kansas.

Ehling entered the securities industry in 1974 when he associated with a member firm of FINRA. From May 6, 1983 through the present, Ehling has been associated with Professional Investment as its President. Ehling has been registered with FINRA as a general securities principal since September 16, 1983, and an introducing broker-dealer/financial and operations principal since December 6, 1990, which registrations remain in full force and effect.

Relevant Prior Disciplinary History

Professional Investment has been the subject of prior formal disciplinary actions by FINRA related to the instant matter. See AWC No. C04020036 (firm failed to timely file annual audited report), AWC No. C04040044 (firm failed to timely file annual audited report for two years, had

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net capital deficiency, and failed to prepare accurate net capital computations) and AWC No. 2005000996601 (firm failed to timely file annual audited report).

Ehling has been the subject of prior formal disciplinary actions by FINRA related to the instant matter. See AWC No. C04040044 (firm, acting through Ehling, failed to timely file annual audited report for two years, had net capital deficiency, and failed to prepare accurate net capital computations) and AWC No. 2005000996601 (firm, acting through Ehling, failed to timely file annual audited report).

Overview

Professional Investment, acting through Ehling, failed to file its annual audited financial report for the year ending December 31, 2006, by the due date of March 1, 2007. Such conduct violated SEC Rule 17a-5 and NASD Conduct Rule 2110 on the part of Professional Investment, and Ehling's conduct violated NASD Conduct Rule 2110.

Facts and Violative Conduct

Pursuant to SEC Rule 17a-5(d), on an annual basis, a member firm must complete and submit to FINRA an audited financial report completed by an independent public accountant. The annual audited report must be filed not more than 60 days after the date of the firm's year-end financial statements. As a member firm, this requirement applies to Professional Investment. Professional Investment operates on a calendar-year basis. Consequently, its annual audited financial statement was due on or before March 1, 2007.

Professional Investment, acting through Ehling, failed to timely file its annual audited financial report for the year ending December 31, 2006, by the due date of March 1, 2007. The annual audited financial report was not filed until March 29, 2007, some 28 days late.

By failing to timely file its annual audited financial report for 2006, Professional Investment, acting through Ehling, violated SEC Rule 17a-5 and NASD Conduct Rule 2110. Ehling, in turn, violated NASD Conduct Rule 2110.

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

1. a censure of Professional Investment;
2. a 10-business day suspension of Ehling in any and all principal capacities;
3. Ehling must qualify as an introducing broker-dealer/financial and operations principal (Series 28) within 90 days of the acceptance of this AWC by FINRA; and
4. a joint and several fine of \$15,000 against Professional Investment and Ehling.

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

We specifically and voluntarily waive any right to claim that we are unable to pay, now or at any time hereafter, the monetary sanctions 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 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.

We further specifically and voluntarily waive any right to claim that a person violated the ex parte 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.

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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 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 us; and
- C. If accepted:
 - 1. this AWC will become part of our permanent disciplinary records 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 records;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Procedural Rule 8310 and IM-8310-2; 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 rights to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. We may attach a Statement of Corrective Action 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.

PROFESSIONAL INVESTMENT SERVICES, INC.

By: Don Howard Ehling, President
Don Howard Ehling, President

Don Howard Ehling

Don Howard Ehling
DON HOWARD EHLING

Reviewed by:

Counsel for Respondents

Accepted by FINRA:

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

Date

Jeffrey A. Ziesman, Regional Counsel