

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007011553501**

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

RE: Costa Financial Services, Inc., Respondent – CRD No. 45039
Andrew G. Costa, Respondent – CRD No. 1600926

Pursuant to NASD Rule 9216 of the FINRA Code of Procedure, we submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against either Costa Financial Services, Inc. or Andrew G. Costa 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

Costa Financial Services, Inc. (the "firm"), CRD Number 45039, has been a member firm of FINRA (f/k/a NASD or National Association of Securities Dealers) since December 1998. The Firm is headquartered in Boca Raton, Florida and has approximately eight registered persons.

Andrew G. Costa, CRD Number 1600926, has been registered with FINRA since December 1986. Costa has been the President of the Firm since December 2002 and is registered as a registered representative at the Firm and an investment adviser representative at Costa Financial Group, Inc.

OVERVIEW

Costa and the Firm refused to respond to requests for documents and information pursuant to NASD Rule 8210 in connection with an Enforcement investigation.

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OVERVIEW

Andrew G. Costa and the Firm refused to respond to requests for documents and information pursuant to NASD Rule 8210 in connection with an Enforcement investigation.

FACTS AND VIOLATIVE CONDUCT

On December 14, 2007, FINRA opened an Enforcement investigation into, among other things, the roles of the Firm and Andrew G. Costa with respect to private placement offerings.

On January 10, 2008, as part of its investigation, Enforcement sent a letter to the Firm pursuant to NASD Rule 8210, requesting that it provide information and documents in connection with Enforcement's investigation no later than January 23, 2008.

At the Firm's request, Enforcement agreed to extend the time for the Firm to provide its response to the 8210 requests until February 1, 2008. By letter dated February 1, 2008, counsel for the Firm and Andrew G. Costa informed Enforcement staff that the Firm was unwilling to provide the requested documents to FINRA. The Firm also failed to provide the requested information.

On February 1, 2008, Enforcement sent a letter to Andrew G. Costa pursuant to NASD Rule 8210, requesting that Andrew G. Costa provide information and certain documents in connection with Enforcement's investigation, no later than February 15, 2008. By letter dated February 15, 2008, counsel for the Firm and Andrew G. Costa informed Enforcement staff that Andrew G. Costa was unwilling to provide the requested information and documents to FINRA.

By virtue of the foregoing, the Firm and Andrew G. Costa each violated NASD Rules 8210 and 2110.

B. We also consent to the imposition, at a maximum, of the following sanctions:

1. The Firm shall be expelled from membership of FINRA;
2. Andrew G. Costa shall be barred from associating with any FINRA member in any capacity.

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**

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 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 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 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. I, Andrew G. Costa, 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, Andrew G. Costa, 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.)

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.

Feb 21 2008
Date

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Date

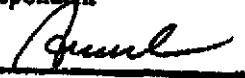
Reviewed By:

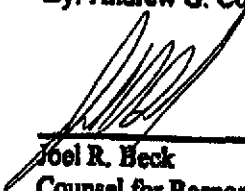
2/25/08
Date

Accepted by FINRA:

3/3/08
Date


Andrew G. Costa
Respondent


Costa Financial Securities, Inc.
Respondent
By: Andrew G. Costa, President


Joel R. Beck
Counsel for Respondents
The Beck Law Firm, LLC
2330 Scenic Highway
PO Box 958
Snellville, GA 30078

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


Jeremy Bloom
Principal Counsel
Department of Enforcement
FINRA
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