

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008011738201

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REGISTRATION & DISCLOSURE

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

RE: Financo Securities LLC
(BD No. 128592)

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Financo Securities LLC ("Financo" or "Respondent") submits 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 (formerly known as NASD) will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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

Financo has been a member of FINRA since March 2004. Financo engages in private placement of securities and provides investment banking services.

Respondent does not have any disciplinary history with FINRA or any other self-regulatory organization, the U.S. Securities and Exchange Commission, or any state securities regulator.

FACTS AND VIOLATIVE CONDUCT

- 1) Financo failed to maintain copies of electronic communications, as required by Section 17(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 17a-4. Specifically:

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a) From March 2004 (when the firm first became a FINRA member) through October 2005, Financo failed to maintain copies of internal and external electronic email communications.

b) From August 24, 2004 through January 13, 2008, Financo failed to maintain copies of "Instant Message" communications.

By reason of the foregoing, Financo violated Section 17(a) of the Exchange Act, Rule 17a-4, and NASD Conduct Rules 3110 and 2110.

2) For the period from September 10, 2004 through January 13, 2008, Financo did not create or maintain a written Business Continuity Plan ("BCP") as required by NASD Rule 3510.

By reason of the foregoing, Financo violated NASD Conduct Rules 3510 and 2110.

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

- Financo to be fined \$55,000; and
- Financo to be Censured.

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

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent 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 Respondent;

- 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, Respondent 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.

Respondent further specifically and voluntarily waives 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

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

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. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it 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.

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

OCTOBER 31, 2008
Date


Financo Securities LLC (BD No. 128592)
By: Joshua Goldberg, Esq.
General Counsel

November 21, 2008
Date

S.S.

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FINANCO SECURITIES LLC

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JOSHUA R. GOLDBERG

GENERAL COUNSEL

TEL: (212) 593-7390

October 31, 2008

Financo Securities LLC - BD # 128592

Exam No. 20080117382

STATEMENT OF CORRECTIVE ACTION

This Corrective Action Statement is submitted by Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

Reference is made to the Acceptance, Waiver and Consent filed by Financo Securities LLC - BD # 128592 ("Respondent") in connection with the above-referenced Exam.

As part of its ongoing process to enhance its FINRA policies and procedures, Respondent implemented a procedure to maintain internal and external electronic email communications in October 2005 and a written business continuity plan and procedure to maintain "Instant Message" communications in January 2008.

Respectfully submitted,



Financo Securities LLC
By: Joshua Goldberg, Esq.
General Counsel