

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008011999901**

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

RE: Stephen P. Leary, Respondent
General Securities Representative
CRD No. 2874923

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REGISTRATION & DISCLOSURE

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

In December 1997, Stephen P. Leary ("Leary") first became registered with FINRA as a General Securities Representative. From August 2002 to December 13, 2007, he was registered in that capacity through Planco Financial Services, LLC ("Firm"). From February 27, 2008 to June 27, 2008, he was registered in that capacity through another member firm. Leary has not been associated with any FINRA member since June 27, 2008. He has no disciplinary history with FINRA.

OVERVIEW

Leary submitted business Expense Reports to the Firm by which he requested reimbursement of purported business expenses that he did not incur and/or that were not business-related. This conduct violated NASD Conduct Rule 2110 ("Rule 2110").

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FACTS AND VIOLATIVE CONDUCT

From at least January 8, 2007 and continuing to about July 20, 2007, Leary submitted several false Expense Reports to the Firm by which he requested reimbursement of expenses he represented as *bona fide* business expenses that he had incurred and paid relating to his employment at the Firm. The Expense Reports were false in that they included various expenses and amounts that Leary in fact had *not* incurred or paid, and/or that he had not incurred in connection with his employment or in furtherance of the Firm's business. For certain expense items entered on the reports that Leary had *not* incurred or that were *not* business related, Leary submitted a receipt and/or other documentation that purported to substantiate the expense but which he either had fabricated or knew in actuality did not document his payment of a *bona fide* business expense.

Under the Firm's policies in effect at the relevant times, Leary could seek the reimbursement of *bona fide* business expenses that he incurred and had paid personally, and, over a certain amount, the Firm would reclassify a portion of the commissions he earned as a pre-tax expense reimbursement. As a result of Leary's false Expense Reports, the Firm adjusted the type and amounts of income it reported for him in 2007.

By submitting false Expense Reports to the Firm, Leary violated Rule 2110.

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

- a bar from association with any FINRA member in any capacity.

I understand that if I am barred 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 may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar (see FINRA Rules 8310 and 8311).

The sanction imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the 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 FINRA Rule 9143 or the separation of functions prohibitions of FINRA 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 FINRA 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 FINRA Rule 8313; 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.

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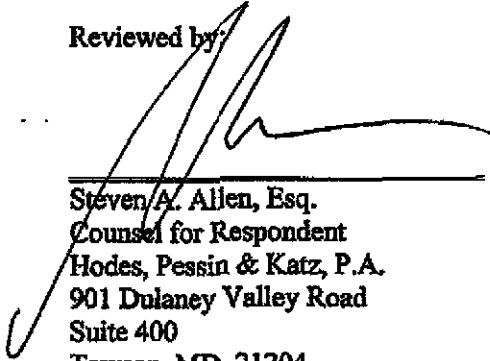
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the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

9/30/09

Date


Stephen P. Leary
Respondent

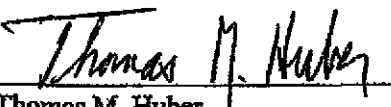
Reviewed by:


Steven A. Allen, Esq.
Counsel for Respondent
Hodes, Pessin & Katz, P.A.
901 Dulaney Valley Road
Suite 400
Towson, MD 21204
410-339-6769

Accepted by FINRA:

October 29, 2009
Date

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


Thomas M. Huber
Sr. Regional Counsel
FINRA Department of Enforcement
1835 Market Street, Suite 1900
Philadelphia, PA 19103
(215) 963-1990
Fax: 215-496-0434