

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 2009016258801

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

RE: Integrated Financial Planning Services, Inc., Respondent
Member Firm
BD No. 17935

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Integrated Financial Planning Services, Inc. ("IFPS" or the "Firm" or the "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 will not bring any future actions against IFPS alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The 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

IFPS has been a registered broker-dealer and a member of FINRA (f/k/a National Association of Securities Dealers, or "NASD") since June 13, 1986. IFPS is headquartered in Heidelberg, Germany. During the Relevant Period (defined below), the Firm had approximately 70 registered representatives, virtually all of whom were independent contractors conducting securities businesses in one-person offices in the United States, Japan, and six European countries. The Firm currently has 44 registered representatives and has offices in the United States and Europe.

RELEVANT DISCIPLINARY HISTORY

Respondent was the subject of a Letter of Acceptance, Waiver and Consent accepted by FINRA on September 5, 2007 in connection with the prior routine examination of the Firm (the "2007 AWC"). The 2007 AWC contained findings that the Firm violated Securities Exchange Act of 1934 ("SEA") Section 17(a), SEA Rule 17a-3, SEA Rule 17a-4, NASD Conduct Rules 1120, 2210, 3010, 3011, 3070, and 2110, FINRA By-Laws Article IV, Section 8, and Municipal Securities Rulemaking Board ("MSRB") Rule G-41, in connection with failures to: (a) adequately supervise certain investment plan sales; (b) retain all e-mail related to its business; (c) make certain reports to FINRA in a timely and accurate manner; and (d) ensure compliance with rules relating to continuing education, advertising, and anti-money laundering ("AML") compliance. Respondent was censured and fined \$90,000.00, of which \$50,000.00 was joint and several with an individual.

OVERVIEW

A routine examination of the Firm for the Relevant Period revealed deficiencies in the areas of supervisory controls and certification, AML procedures, supervision, communications with the public/advertising, and continuing education. In connection with those violations, which are discussed below, the Firm has agreed to a censure and fine of \$32,500.

FACTS AND VIOLATIVE CONDUCT

The period for the routine examination of the Firm to which this AWC applies is September 27, 2005 through May 25, 2009 (the "Relevant Period"). Unless otherwise specified, the periods of the violations described below correspond to that examination period.

1. NASD Conduct Rule 3012 and MSRB Rule G-27 require firms to establish, maintain, and enforce a system of supervisory control policies and procedures. During the Relevant Period, the Firm had deficient supervisory control procedures, failed to document that it used an adequate system of supervision of its producing managers, failed to document its annual reports, and failed to document that it used an adequate system to review and monitor the transmittal of customer funds and securities and customer changes of address. By reason of the foregoing, the Firm violated NASD Conduct Rules 3012 and 2110, FINRA Rule 2010, and MSRB Rule G-27.

2. NASD Conduct Rule 3013 (now FINRA Rule 3130) requires a firm to document certifications by its Chief Executive Officer ("CEO") that the firm has in place written supervisory policies and procedures reasonably designed to achieve compliance with applicable FINRA/NASD rules, MSRB rules, and federal securities laws and regulations. For the years 2006 and 2007, the Firm failed to maintain any documentation of its CEO certifications. Also, the Firm's CEO certifications for the years 2008 and 2009 were materially deficient because neither included statements required under NASD Conduct Rule 3013(c). Additionally, for the years 2006, 2007, and 2008, the Firm failed to maintain documentation of the corresponding supervisory reports to its CEO certifications. By reason of the foregoing, the Firm violated NASD Conduct Rules 3013 and 2110 and FINRA Rules 3130 and 2010.
3. NASD Conduct Rule 3011 and MSRB Rule G-41 require firms to develop and implement a reasonable anti-money laundering program. Although during the Relevant Period the Firm had established written AML Compliance Program policies and procedures, the Firm's written procedures were inadequate because they failed to state specifically how the Firm: detected and responded to red flags; reviewed for the receipt by registered representatives of cash and cash equivalents; froze accounts or prohibited transactions by persons suspected of terrorist activity; monitored for new rules under the Patriot Act; or conducted or followed-up on AML testing. Also, although the Firm had established a Customer Identification Program, a review of 55 customer accounts opened during the Relevant Period revealed that the Firm failed to verify information it collected for three of those 55 new customers. In addition, for each of those 55 new customer accounts, the Firm failed to document notice to those customers that it was verifying their information. Additionally, although the Firm conducted an independent AML test in 2009, that test was incomplete. By reason of the foregoing, the Firm violated NASD Conduct Rules 3011(a), (b), and (c), and 2110, FINRA Rule 2010 and MSRB Rule G-41(a), (b), and (c).
4. NASD Conduct Rule 3010 requires a firm to establish and maintain a supervisory system that is reasonably designed to achieve compliance with applicable securities laws and regulations and FINRA/NASD rules. The Firm's Written Supervisory Procedures, dated April 2009, failed to establish (1) adequate written procedures for all of its business and operations and (2) a supervisory system to review and monitor registered representative blogs and publications. Also, during the Relevant Period, the Firm failed to implement and enforce its Written Supervisory Procedures in a number of required areas, including reviewing advertisements, sales and seminar materials, and correspondence used by registered representatives; prohibiting registered representatives' use of public websites for business purposes; and notifying registered representatives about their continuing education status. Additionally, during the Relevant Period, the Firm failed to conduct and document timely internal inspections of 38 registered representatives' office locations. By reason of the foregoing, the Firm violated NASD Conduct Rules 3010 and 2110 and FINRA Rule 2010.

5. A firm's business cards and stationery are considered correspondence and all correspondence is subject to the supervision and review requirements of NASD Conduct Rule 3010. The Firm failed to review or approve by a principal the non-standard letterhead and business cards used by certain of its registered representatives. In addition, 11 of the Firm's registered personnel listed contact information on either letterhead or business cards that included non-Firm-issued e-mail addresses and the Firm failed to make or require proper disclosures on the letterhead or business cards of six of its registered representatives. By reason of the foregoing, the Firm violated NASD Conduct Rules 3010 and 2110 and FINRA Rule 2010.
6. Publicly available websites used in connection with a securities business are advertisements subject to NASD Conduct Rule 2210, which prohibits the publication or omission of material facts that would, in the context presented, cause confusion, and the publication of exaggerated statements. During the Relevant Period, the Firm failed to file timely both its publicly available website and its amendment to that website with FINRA's Advertising Regulation department. Also during the Relevant Period, the Firm permitted the use without principal approval of the public websites of two registered representatives. Finally, the Firm's communications with the public with respect to its registered representative's websites during the Relevant Period were potentially misleading in the following ways:
 - The public website of one of the Firm's registered representatives failed to include a hyperlink to FINRA's website, failed to indicate the Firm's membership in SIPC, and failed to include a hyperlink to SIPC's website;
 - The public website of one of the Firm's registered representatives contained a misleading implication that a non-member firm offered securities such as mutual funds, failed to disclose the Firm's name and which products and services the Firm offered, failed to indicate the Firm's membership in SIPC, and failed to include a hyperlink to SIPC's website. In addition, the Firm failed to file this registered representative's website with FINRA's Advertising Regulation department;
 - The public website of one of the Firm's registered representatives identified that securities were offered through both the Firm and another member firm, but did not reflect which products or services were offered by either, and contained several unwarranted or exaggerated statements; and
 - The public website of one of the Firm's registered representatives included a non-Firm-issued e-mail address in the representative's contact information.

By reason of the foregoing, the Firm violated NASD Conduct Rules 2210, 2211, and 2110 and FINRA Rule 2010.

7. A firm's institutional sales materials and correspondence are subject to NASD Conduct Rule 2211, which adopts the content standards of NASD Conduct Rule 2210. During the Relevant Period, the Firm permitted the use without principal approval of one registered representative's telemarketing script and the presentations at retirement seminars by three of its registered representatives. Also during the Relevant Period, the Firm's communications with the public with respect to certain advertisements and sales literature were potentially misleading in the following ways:

- The telemarketing script of one of the Firm's registered representatives failed to disclose the Firm's name and contact information, the purpose of the call, and that the securities are offered through the Firm; and
- The presentation at a retirement planning seminar offered by one of the Firm's registered representatives failed to disclose and misidentified the Firm's name, failed to balance statements concerning the performance of certain funds with statements about their risks, and failed to include a prospectus offer for the mutual funds and the variable annuity mentioned in the presentation, as required by SEA Rule 482(b)(1).

By reason of the foregoing, the Firm violated NASD Conduct Rules 2211 and 2110 and FINRA Rule 2010.

8. NASD Conduct Rule 1120 prescribes requirements regarding the continuing education of certain registered persons after their initial qualification and registration with FINRA/NASD. Although during the Relevant Period the Firm had continuing education program compliance and supervisory policies and procedures in place, the Firm failed to document the factors it considered in its needs analysis in order to develop appropriate continuing education training plans for its covered persons in 2008 and 2009. By reason of the foregoing, the Firm violated NASD Conduct Rules 1120 and 2110 and FINRA Rule 2010.

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

- A censure; and
- A fine in the amount of \$32,500.00 (\$7,500.00 of which pertains to the violations of MSRB Rules G-27 and G-41).

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is 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 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 Complaint issued specifying the allegations against it;
- 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, 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 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**

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 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 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 it;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's 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. 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.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that the Firm 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 the Firm to submit it.

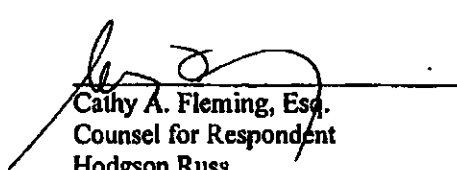
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Date (mm/dd/yyyy)

Barry Swanson, CFP
Respondent

Integrated Financial Planning Services, Inc.

By: 

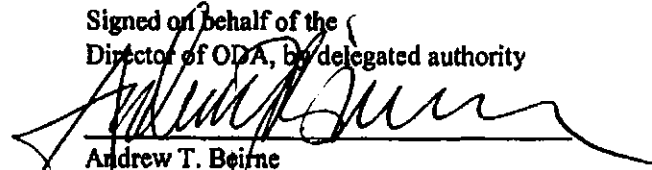
Reviewed by:


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Accepted by FINRA:

July 16, 2012
Date

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


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STATEMENT OF CORRECTIVE ACTION

DATE: May 31, 2012

TO: FINRA

RE: Integrated Financial Planning Services, Inc. ("IFPS")

Please accept this as Integrated Financial Planning Services, Inc.'s Statement of Corrective Action. This Statement of Corrective Action is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

CORRECTIVE ACTIONS

As a result of the events giving rise to an examination of IFPS by the FINRA Department of Enforcement, the following corrective actions have been taken:

1. Supervisory Control Procedures

IFPS updated its supervisory control procedures at the end of June 2009 to address the deficiencies identified during the exam. The Firm's written procedures now document the specific processes the Firm uses to supervise its producing managers, review and monitor the transmittal of customer funds and changes of address, and prepare its annual 3012 and 3130 report.

2. CEO Certifications

IFPS updated its CEO Certification template in June 2009 to include the required statements outlined in FINRA Rule 3130 (formerly NASD Rule 3013). The Firm has maintained documentation of the corresponding annual report since 2009.

3. AML Compliance Program

IFPS updated its New Account Transmittal Form in June 2007 in order to document more client information, including ID information. Of the 55 client accounts reviewed, the 3 instances noted where an adequate CIP was not documented, were all accounts opened in February of 2006. Since June 2007 IFPS has captured the client's ID information for each new account opened.

IFPS updated its New Account Transmittal Form again in July 2009 to document delivery of the CIP Notice.

The Firm now uses an independent 3rd party to conduct its annual AML Test.

4. Written Supervisory Procedures

IFPS conducted a thorough review of its Written Supervisory Procedures in 2009 and made many substantial additions to address the deficiencies identified during the exam. The procedures now include a detailed description of the processes the Firm performs in the supervision of its business.

Aside from one late review, the Firm has performed timely reviews of all of its representatives' offices since 2007.

5. Business Cards and Stationery

In 2009, IFPS contacted each representative who still had non-compliant business cards or letterhead, and worked with each of them to dispose of their old cards and order new ones. The Firm will continue to monitor business card and letterhead usage to ensure that its policies are being properly followed.

6. Representative Websites

Immediately following the onsite exam in 2009, IFPS worked with its representatives to add the required disclosures to those websites which did not already have them, including adding a link to SIPC's website.

The Firm now reviews each website on a monthly basis to ensure that all securities related content was approved prior to it being posted. Evidence of this monthly review is maintained in the home office.

7. Sales Literature and Advertisements

IFPS implemented new procedures in 2009 to more effectively supervise the sales literature and advertisements used by its representatives.

8. Continuing Education

Since 2009, IFPS has documented the specific factors it considers when performing its Firm element continuing education needs analysis. These factors are outlined in an annual report which is created and kept on file in the home office.

Sincerely,



Barry E. Swanson, CFP ®
CEO/President

cc: Cathy Fleming, Esq.

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