

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. C02050033

TO: Department of Enforcement
NASD

RE: Elizabeth S. Brasler, General Securities Representative
CRD No. 4285019

Pursuant to Rule 9216 of NASD 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 in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against me alleging violations based on the same factual findings.

I understand that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Enforcement and National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
3. If accepted:
 - a. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against me;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about my disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. 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 allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects my

testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

I also understand that my experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Elizabeth S. Brasler ("Respondent") has been associated with Cantella & Co., Inc. ("CCI"), an NASD member, from in or about November 2000 to the present. Respondent became registered as a General Securities Representative with CCI when she passed the Series 7 examination in or about January 2001. Respondent has not been the subject of any disciplinary action by NASD, the Securities Exchange Commission, or any state regulator.

1.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Formal Complaint issued specifying the allegations against me;
- 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 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 Rule 9143 or the separation of functions prohibitions of 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.

II.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the allegations or findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD 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 NASD:

Respondent recommended that public customer H.H. invest in certain high risk municipal bonds. Following Respondent's recommendation, H.H. invested approximately \$258,718 in these bonds in connection with five separate purchase transactions that variously occurred in or about February 2001, April 2001 and August 2001. This recommendation was made without having reasonable grounds for believing that it was suitable for H.H. in light of the facts disclosed by such customer or otherwise known about such customer concerning her financial status, investment objectives and risk tolerance.

By reason of the foregoing, Respondent violated MSRB Rules G-17 and G-19(c).

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

1. Fine in the amount of \$5,000;
2. Suspension from associating with any NASD member in any and all capacities for a period of two months; and
3. Respondent is ordered to make restitution to customer H.H. in the amount of \$112,018, less the fair market value of the S.F. Bonds at the time restitution is paid to H.H.¹ (See, Index of Initials in Attachment A.) Restitution shall be made within 90 days after acceptance of this AWC. Prior to that time, within at least 60 days after acceptance of this AWC, Respondent shall provide to NASD in writing the amount that she has determined to be the fair market value of the S.F. Bonds, together with three bids that support such valuation. The fair market value of the S.F. Bonds, as calculated by Respondent, shall not be unacceptable to NASD. Satisfactory proof of payment of the restitution or of reasonable and documented efforts undertaken to effect restitution shall be provided to NASD staff no later than 90 days after acceptance of this AWC. If for

¹ This amount takes into consideration the fact that the customer sold certain of the bonds, as well as other factors.

any reason Respondent cannot locate customer H.H. after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided.

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

III.

OTHER MATTERS

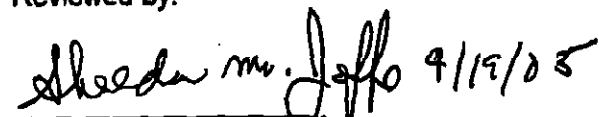
- A. I understand that I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD or its staff.
- B. I agree to pay any monetary sanctions imposed on me upon notice that this AWC has been accepted and that such payments are due and payable and have attached an Election of Payment form showing the method by which I propose to pay any fine imposed.
- C. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.
- D. I understand that if I am barred or suspended from associating with any NASD 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 NASD 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.)

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, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce me to submit it.

4.15.05
Date


Elizabeth S. Brasler

Reviewed by:

 4/19/05
Sheldon M. Jaffe, Esq.
Counsel for Respondent

Accepted by NASD:

4/26/05
Date


for Lani M. Sen Woltmann, District Director
Signed on behalf of the Director of ODA,
by delegated authority.

Attachment A
(Index of Initials)

H.H.:



S.F. Bonds:

Sierra Foothill bonds that H.H. purchased in or about April 2001 for approximately \$102,650 following respondent's recommendation to purchase said bonds.