

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E0220030854-02

TO: Department of Enforcement
NASD

RE: Frank Collins, Respondent
General Securities Principal
CRD No. 1942411

Pursuant to Rule 9216 of NASD Code of Procedure, I, Frank Collins ("Collins"), 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:

In 1989 Collins obtained his General Securities Representative license (Series 7) and his General Securities Principal license (Series 24). Between 1989 and August 1996, he was registered in those capacities with various NASD member firms. From on or about August 13, 1996 through February 27, 2004, Collins was registered in the foregoing capacities with Chase Investment Services, Corp. ("CISC"), a NASD member. Collins is not currently associated with any NASD member and has not been the subject of prior disciplinary action by NASD, other self-regulatory organizations, the Securities and Exchange Commission, or any state regulator.

I.

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:

1. Supervision:

From January 1, 2002, to on or about July 2003 (the, "Relevant Period"), Collins was responsible for ensuring that CISC's registered sales associates were following the firm's policies regarding the recommendations and sales of Class B shares of mutual funds. His responsibilities required that he review various mutual fund exception reports and, where appropriate, speak to sales associates who sold Class B shares above, or closely below, particular dollar thresholds set by the firm. Collins was also required to prepare surveillance reports describing his communications with the CISC sales staff and findings.

At times during the Relevant Period, Collins did not promptly perform his supervisory responsibilities. Also, on certain occasions during the Relevant Period, Collins altered the dates of the firm's mutual fund exception reports and added inaccurate information to various surveillance reports.

The aforementioned acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 3110, 3010 and 2110, by Collins.

2. Failure to Disclose:

In connection with NASD's investigation into the manner in which CISC offered and sold Class B and/or Class C shares of mutual funds, Staff served CISC with a written request for information and documents, which staff served upon CISC pursuant to, and in accordance with, Procedural Rule 8210. Collins participated in the preparation of the CISC response to NASD staff's request, which sought information about the manner in which the firm, in part, through Collins, supervised the sales of mutual funds by the firm's sales associates. In connection with that response, Collins, failed to disclose to CISC the alterations to the documents described in Subparagraph II.A.1. above. Consequently, in connection with one of its written responses to NASD staff, CISC provided information that was inaccurate.

The foregoing conduct by Collins constituted a violation of NASD Conduct Rule 2110.

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

A bar from associating with any NASD member firm in any capacity.

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC.

III.

OTHER MATTERS

A. 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 us to submit it.

12/22/2005
Date


Frank Collins, Respondent

Approved as to Content

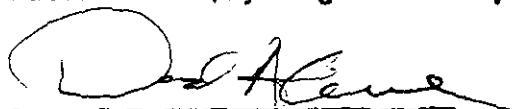
LEEDS, MORELLI & BROWN, PC.

By: Robert Valli, Esq.
Attorneys for Respondent

Accepted by NASD:

1/9/06
Date

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



David A. Greene
Deputy Regional Chief Counsel
NASD Department of Enforcement
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(213) 613-2634
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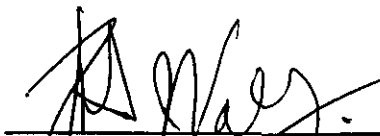
NASD District Director
Lani M. Sen Woltmann, District Director
NASD, District 2
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Los Angeles, CA 90071
(213) 229-2300

Date

Frank Collins, Respondent

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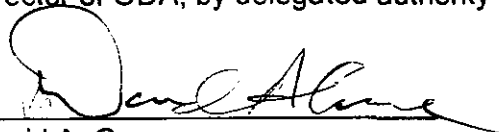
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