

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E0220040011-03

TO: Department of Enforcement
NASD

RE: Green Street Advisors, Inc., Respondent
NASD Member
BD No. 28937

Pursuant to Rule 9216 of NASD Code of Procedure, Respondent, Green Street Advisors, Inc. ("Green Street" or the "Firm"), submits 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 the Firm alleging violations based on the same factual findings.

The Firm understands 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 the Firm; and
3. If accepted:
 - a. this AWC will become part of the Firm's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against it;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about the Firm's 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. Green Street 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 the Firm's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

Green Street also understands that its 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:

Green Street has been an NASD member since 1992. The Firm engages in a general securities business, including research and the dissemination of research reports on numerous companies. At all relevant times mentioned herein, the Firm employed eight (8) research analysts who prepared and produced research reports for the Firm. Green Street has not been the subject of any prior relevant disciplinary action by NASD, other self-regulatory organizations, the Securities and Exchange Commission or any state regulator.

1.

WAIVER OF PROCEDURAL RIGHTS

Green Street specifically and voluntarily waives the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against it;
- 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, the Firm 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.

Green Street further specifically and voluntarily waives 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. Green Street hereby accepts and consents, 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:

NASD Rule 1050 was amended, effective March 30, 2004, to require any person associated with a firm who functions as a research analyst to be registered as such and pass a two part Research Analyst Qualification Examination (Series 86/87). Persons who were previously functioning as research analysts were granted a one-year grace period within which to meet the registration requirements, provided the employing member firm with which they were associated applied for the research analyst registration within 60 days of the effective date of the new requirement (May 31, 2004). See, Notice to Members 04-25 (March 2004).

Green Street failed to apply for the research analyst designation for each of its eight (8) research analysts on or before May 31, 2004. As a result, the one-year grace period given by NASD for preexisting research analysts to pass the Research Analyst Qualification Examination was not available to Green Street's analysts.

On or about June 17, 2004, Green Street's management discovered its failure to apply for the research analyst designation for its analysts. On June 18, 2004, Green Street sought an extension from NASD of the filing deadline. On June 28, 2004, NASD advised Green Street that it had determined not to grant any extensions of the May 31 deadline.

Despite NASD's denial of Green Street's request for an extension, the Firm permitted all of its eight (8) research analysts to continue to conduct business as research analysts, despite their not having passed the Research Analyst Qualification Examination.

At various times between June 1, 2004 and November 5, 2004, the date by which all of the Firm's analysts were registered (the "relevant period"), each of Green Street's eight (8) research analysts continued to act in that capacity without passing the Research Analyst Qualification Examination. During the relevant period, the Firm issued a total of 123 research reports that had been prepared by its research analysts, none of whom had yet passed the examination. Moreover, 104 of the 123 reports were issued after the Firm received notice that NASD had denied its request for an extension of the May 31, 2004 filing deadline.

Based on the foregoing, Green Street violated NASD Membership and Registration Rule 1050 and NASD Conduct Rule 2110.

- B. Green Street also consents to the imposition, at a maximum, of the following sanctions:

A censure and \$150,000 fine.

The sanctions imposed herein shall be paid within fifteen business days of the Firm's receipt of notification from NASD that it has accepted this AWC.

III.

OTHER MATTERS

- A. The Firm understands that it may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Firm also 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 NASD, nor does it reflect the views of NASD or its staff.
- B. The Firm agrees to pay any monetary sanctions imposed on us 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 it propose to pay any fine imposed.
- C. The Firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

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NASD

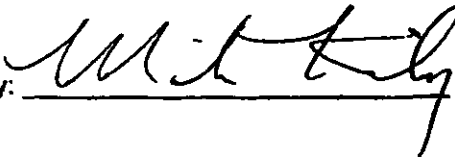
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The Firm certifies that it has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce the Firm to submit it.

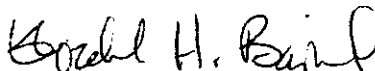
Green Street Advisors, Inc.

8.17.05
Date

By: 

Approved as to Content:

O'MELVENY & MYERS, LLP.


By: Elizabeth Baird, Esq.
Counsel for Green Street Advisors, Inc.

Accepted by NASD:

10/18/05
Date


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

AWC01
Rev 03/14/05

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