

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E052005008501

TO: Department of Enforcement
NASD

RE: Wilbanks Securities, Inc., Respondent
[CRD No. 40673]
and
Aaron B. Wilbanks, Respondent
General Securities Principal, Financial
and Operations Principal, General Securities Representative,
Investment Company and Variable Contracts Products Representative
[CRD No. 1983697]
and
Randall L. Wilbanks, Respondent
General Securities Principal, Municipal Securities Principal,
Registered Options Principal, and General Securities Representative,
and Municipal Securities Representative
[CRD No. 2675482]

Pursuant to Rule 9216 of NASD Code of Procedure, Wilbanks Securities, Inc., Aaron B. Wilbanks, and Randall L. Wilbanks 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.

We 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 us; and
3. If accepted:
 - a. this AWC will become part of our permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against us;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about our 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. We 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. Nothing in this provision affects our testimonial obligations or right to take legal or factual positions in litigation or other proceedings in which NASD is not a party.

We also understand that our 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:

Wilbanks Securities, Inc. has been a member of NASD since August 7, 1996. During all periods mentioned herein, Wilbanks Securities, Inc. was a registered broker-dealer with the United States Securities and Exchange Commission and a member of NASD, which registration and membership remain currently in effect. Wilbanks Securities, Inc. has not been the subject of any formal disciplinary action by any regulatory body.

Aaron B. Wilbanks entered the securities industry on September 21, 1989 as an Investment Company and Variable Contracts Products Representative of Metropolitan Life Insurance Company and MetLife Securities, Inc., both members of NASD. Aaron B. Wilbanks, during all periods mentioned herein, was associated with member firm Wilbanks Securities, Inc., and was registered with NASD under Article V of the By-Laws as a General Securities Principal, Financial and Operations Principal, General Securities Representative, Investment Company and Variable Contracts Products Representative, which registrations remain currently in effect. Aaron B. Wilbanks has not previously been the subject of a formal disciplinary action by any regulatory body.

Randall L. Wilbanks entered the securities industry on December 14, 1995 as a General Securities Representative of The Lincoln National Life Insurance Company, a member of NASD. Randall L. Wilbanks, during all periods mentioned herein, was associated with member firm Wilbanks Securities, Inc., and was registered with NASD under Article V of the By-Laws as a General Securities Principal, Municipal Securities Principal, Municipal Securities Representative, Registered Options Principal, and General Securities Representative, which registrations remain currently in effect. Randall L. Wilbanks has not previously been the subject of a formal disciplinary action by any regulatory body.

I.

WAIVER OF PROCEDURAL RIGHTS

We 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 us;
- 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, we 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.

We 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. We hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding in which NASD is a party, prior to a hearing and without adjudication of any issue of law or fact, to the entry of the following findings by NASD:
 - 1. During the period from on or about January 1, 2000, through on or about May 6, 2005, Wilbanks Securities, Inc., acting through Aaron B. Wilbanks and Randall L. Wilbanks:

- a. failed to specify a cycle for the inspection of non-branch locations in its written supervisory procedures as required by NASD Conduct Rule 3010(c)(1)(C); and
- b. failed to conduct inspections of fifty-five non-branch locations as required by NASD Conduct Rule 3010(c)(1)(C).

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3010(c)(1)(C) by Wilbanks Securities, Inc., Aaron B. Wilbanks, and Randall L. Wilbanks.

2. During the period from on or about March 9, 2003, through on or about July 12, 2005, Wilbanks Securities, Inc., acting through Randall L. Wilbanks, on three separate occasions, failed to file a quarterly report to NASD disclosing information regarding customer complaints.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3070 by Wilbanks Securities, Inc. and Randall L. Wilbanks.

3. During the period from on or about March 9, 2003, through on or about May 6, 2005, Wilbanks Securities, Inc., acting through Aaron B. Wilbanks and Randall L. Wilbanks, failed to preserve in an easily accessible place its electronic communications received and sent (including inter-office memoranda and communications).

Such acts, practices, and conduct constitute separate and distinct violations of SEC Rule 17a-4 and NASD Conduct Rules 2110 and 3110 by Wilbanks Securities, Inc., and NASD Conduct Rules 2110 and 3110 by Aaron B. Wilbanks and Randall L. Wilbanks.

4. During the period from on or about March 9, 2003, through on or about May 6, 2005, Wilbanks Securities, Inc., acting through Aaron B. Wilbanks and Randall L. Wilbanks, failed to establish, maintain and enforce written supervisory procedures regarding the preservation of electronic mail correspondence.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3010 by Wilbanks Securities, Inc., Aaron B. Wilbanks, and Randall L. Wilbanks.

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

A censure against Wilbanks Securities, Inc., Randall L. Wilbanks, Aaron B. Wilbanks, and a monetary fine in the amount of \$25,000 of which:

1. \$25,000 is joint and several against Wilbanks Securities, Inc. and Randall L. Wilbanks; and
2. \$20,000 is joint and several against Wilbanks Securities, Inc. and Aaron B. Wilbanks.

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

III.

OTHER MATTERS

- A. We understand that we may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. We understand that we 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. We agree to pay any monetary sanctions imposed on us upon notice that this AWC has been accepted and that such payments are due and payable as noted above and have attached an Election of Payment form showing the method by which we propose to pay any fine imposed.
- C. We specifically and voluntarily waive any right to claim that we are unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

We certify that we 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.

1-30-2007
Date

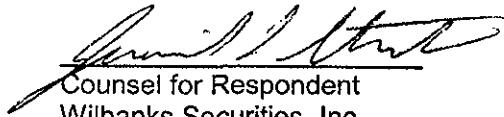
Wilbanks Securities, Inc.

By: Aaron Wilbanks

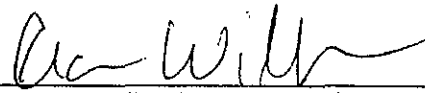
President & CEO
[Name and Title]

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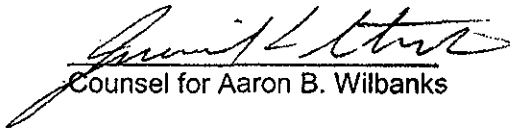
Reviewed by:


Counsel for Respondent
Wilbanks Securities, Inc.

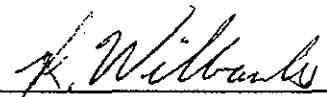
1-31-07
Date


Aaron B. Wilbanks, General Securities
Principal, ~~Registered Options Principal~~, A.W.
Financial and Operations Principal, General
Securities Representative, Investment
Company and Variable Contracts Products
Representative

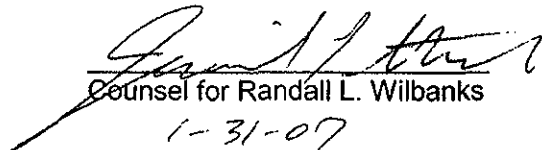
Reviewed by:


Counsel for Aaron B. Wilbanks

1-31-07
Date


Randall L. Wilbanks, General Securities
Principal, Municipal Securities Principal,
Municipal Securities Principal, Registered
Options Principal, and General Securities
Representative

Reviewed by:

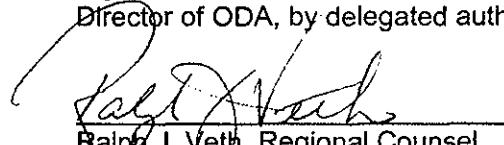

Counsel for Randall L. Wilbanks
1-31-07

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Accepted by NASD:

February 27, 2007
Date

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

A handwritten signature in black ink, appearing to read "Ralph J. Veth", is written over a horizontal line.

Ralph J. Veth, Regional Counsel
NASD, District No. 5
1100 Poydras Street, Suite 850
New Orleans, Louisiana 70163-0802
Phone: 504/522-6527
FAX: 504/522-4077

District Director

Keith E. Hinrichs
NASD, District No. 5
1100 Poydras Street, Suite 850
New Orleans, Louisiana 70163-0802

Attachment: Election of Payment Forms