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10/20/2005 08:59 FAX 4042641586

SONNENBLICK ET AL
ENFORCEMENT

PAGE 02/08

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E072003005104

TO: Department of Enforcement
Department of Market Regulation
NASD

RE: Delta Asset Management Company, LLC
Member
CRD No. 39923

Adam R. Goldstein
General Securities Principal
CRD No. 2647994

Pursuant to Rule 9216 of NASD Code of Procedure, Respondents Delta Asset Management Co., LLC and Adam R. Goldstein 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 Respondents alleging violations based on the same factual findings.

Respondents 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, Department of Market Regulation, 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 Respondents; and
3. If accepted:
 - a. this AWC will become part of Respondents' permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against them;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Respondents' 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

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SONNENBLICK ET AL

PAGE 03/08

10/20/2005 08:40 FAX 4042841586

ENFORCEMENT

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

Respondents also understand that their 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:

Respondent Delta Asset Management Company, LLC became an NASD member in March 1996. The firm conducted a general securities business. The firm's NASD membership was canceled in May 2005 for its failure to pay required fees.

In July 2004, NASD accepted an AWC from Delta (CMS040101) that made findings that the firm violated NASD Rules 2110, 3010, and 6955(A) by failing to submit required information to the QATS system on four days, failed to timely report 2,925 reportable order events, and failed to enforce its written supervisory procedures with respect to QATS reporting. The firm was fined \$15,000 and censured.

Respondent Adam R. Goldstein entered the securities business in about July 1995. He was first registered as a general securities representative in August 1996, and as a general securities principal in January 1997. He was registered with Delta Asset Management Company, LLC from June 2001 to May 2005. Goldstein served as the firm's president.

In March 2005, NASD filed a disciplinary complaint against Delta Asset Management Co. and Goldstein. The allegations in that Complaint are resolved through this AWC.

I.

WAIVER OF PROCEDURAL RIGHTS

Respondents 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 them;
- 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

10/20/2005 11:05 7324311037

SONNENBLICK ET AL

10/20/2005 09:40 FAX 4042641586

ENFORCEMENT

PAGE 04/06

- 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, Respondents specifically and voluntarily waive any right to claim bias or prejudice 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.

Respondents 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. Respondents 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. During the period from January 2001 to December 2003, Delta Asset Management Co., LLC, acting through Adam R. Goldstein, failed to establish, maintain, and enforce an adequate supervisory system, including written procedures, reasonably designed to achieve compliance with industry rules and regulations related to sales practices. Respondents' system failed to include specific procedures, a reporting structure, and designations of responsible supervisory principals to oversee the sales activities of the firm's representatives and branch managers. Further, during the period from October 2001 to September 2003, Respondents failed to establish procedures for ensuring that required disclosures were made on Form U-4 amendments, U-5 filings and amendments, and Rule 3070 disclosures. In addition, they failed to enforce their written procedures by failing to conduct annual inspections of Delta's branch offices in 2002, failed to follow Delta's written procedures upon receipt of customer checks payable to Delta, failed to ensure that written approval for options accounts was given prior to permitting options activity in such accounts, failed to ensure that its time clocks remained synchronized, failing to document periodic reviews of customer account activity, and failed to ensure that all covered persons attended an annual compliance meeting during 2002. Such acts, practices and conduct violate NASD Conduct Rules 3010 and 2110.

10/20/2005 11:06 7324311037

SONNENBLICK ET AL

PAGE 05/08

10/20/2005 08:40 FAX 4042641588

ENFORCEMENT

2. During the period of May 2002 to June 2003, Delta failed to ensure that eight disclosable events, such as customer complaints and securities related civil lawsuits and arbitration claims, were reported, or reported timely, through Forms U-4, U-5 and amendments thereto as appropriate. During the same period, Delta failed to report summary and statistical information for five customer complaints, and reported three other complaints late. Such acts, practices and conduct violate NASD Conduct Rules IM-1000-1, 2110, and 3070.
3. During the period from April 24, 2002, to at least September 2003, Delta failed to develop and implement a written anti-money laundering program reasonably designed to achieve compliance with the requirements of the Bank Secrecy Act (31 U.S.C. 5311, et. seq.) and the implementing regulations promulgated thereunder by the Department of the Treasury. Among other things, Delta's anti-money laundering program failed to: a) keep current the designation of a qualified individual as its AML officer; b) address steps to be taken to detect the attempt to open correspondent accounts for foreign banks; c) address steps to be taken to determine the identity of nominal and beneficial owners of private banking accounts and the source of funds deposited into such accounts; d) address the freezing of accounts and prohibiting transactions with persons suspected of terrorist activities pursuant to OFAC regulations; e) address requirements for filing Foreign Bank and Financial Accounts reports; f) detail methods for obtaining all required information on wire transmittals and retransmittals, including information regarding the transmitter and recipient of funds; g) address steps taken to detect and report suspicious activities, including the filing of Suspicious Activity Reports; and h) establish a customer identification program to comply with §326 of the US PATRIOT Act. Such acts, practices and conduct violate NASD Conduct Rules 3011 and 2110.

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

Respondent Adam R. Goldstein shall be suspended in all principal and supervisory capacities for two years, and be fined \$10,000. The fine may be paid through NASD's installment payment plan if so selected on the attached Election of Payment form.

Respondent Delta Asset Management Company, LLC shall be expelled from NASD membership.

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

10/20/2005 11:06 7324311037

10/20/2005 08:41 FAX 4042641586

ENFORCEMENT

SONNENLICK ET AL

PAGE 06/08

III.

OTHER MATTERS

- A. Respondents understand that they may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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. Respondents agree to pay any monetary sanctions imposed on them 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 they propose to pay any fine imposed.
- C. Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

Respondents certify that they 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 them to submit it.

Date

10/24/05

Adam R. Goldstein
Adam R. Goldstein, individually and as
President of Delta Asset Management Co., LLC

Reviewed by:

[Signature]
Counsel for Respondent

11/11/2005 10:01 FAX 4042641586

ENFORCEMENT

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10/20/2005 11:05 7324311837

10/20/2005 08:41 FAX 4042641585

SONNENBLICK ET AL

PAGE 07/08

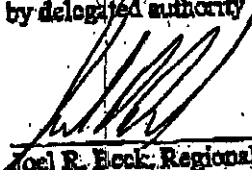
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Accepted by NASD:

Date

11/11/2005

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


Joel R. Beck, Regional Counsel
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Jeffrey K. Stith, Associate Vice President
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