

ORIGINAL

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E072004049201

TO: Department of Enforcement
NASD

RE: Equity Planning Securities Corp.
(CRD No. 6125)

Pursuant to Rule 9216 of NASD Code of Procedure, Equity Planning Securities Corp. ("Member") 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 Member alleging violations based on the same factual findings.

The Member 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 Member; and,
3. If accepted:
 - a. this AWC will become part of the Member'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 Member'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. the Member 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 Member's testimonial obligations or right to take legal or factual

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positions in litigation or other legal proceedings in which NASD is not a party.

The Member 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:

Equity Planning Securities Corp. became a member of NASD on March 13, 1972 and became registered with the Securities and Exchange Commission ("SEC") on December 9, 1971. The Member conducts a limited securities business consisting of acting as a real estate syndicator and selling private placements of securities, tax shelters and limited partnerships in primary distributions. The Member's membership with NASD and registration with the SEC remain currently in effect. The Member has no history of disciplinary actions.

I.

WAIVER OF PROCEDURAL RIGHTS

The Member 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 Member 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.

The Member 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. The Member 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:

Failure to Implement an AML Program NASD Conduct Rules 2110 and 3011

1. NASD Conduct Rule 3011, which became effective on April 24, 2002, requires NASD members to develop and implement a written anti-money laundering program reasonably designed to achieve and monitor compliance with the requirements of the Bank Secrecy Act, 31 U.S.C. §5311, *et seq.*, and the regulations promulgated thereunder. NASD issued Notice to Members 02-21 in April 2002 to notify NASD members of this requirement. NASD reiterated this requirement in subsequent Notices to Members 02-47 (August 2002), 02-50 (August 2002), 02-78 (November 2002), 02-80 (December 2002), and 03-34 (June 2003).
2. Despite the requirement that the Member monitor compliance with the requirements of the Bank Secrecy Act, 31 U.S.C. §5311, *et seq.*, and the regulations promulgated thereunder, and despite the notifications from NASD as described above, from April 24, 2002 through December 2, 2004, the Member had no written anti-money laundering or customer identification procedures.
3. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3011 by the Member.

Maintaining Inaccurate Books and Records and Filing an Inaccurate FOCUS Report SEC Rules 17a-3(a) and 17a-5 and NASD Conduct Rules 2110 and 3110(a)

4. The Member failed to comply with SEC Rule 17a-3(a), in that it prepared an inaccurate trial balance and net capital computation for September 30, 2004, as shown on Schedule A, attached hereto and incorporated by reference, in violation of SEC Rule 17a-3(a) and NASD Conduct Rules 2110 and 3110(a) by the Member.

5. The Member failed to comply with SEC Rule 17a-5, in that it filed an NASD FOCUS Part IIA Report for the calendar month ending September 30, 2004, which was inaccurate in that, among other things, the Report overstated the Member's net capital, as shown on the attached Schedule A, in violation of SEC Rule 17a-5 and NASD Conduct Rule 2110 by the Member.
- B. The Member also consents to the imposition, at a maximum, of the sanctions of a censure and a fine of \$10,000 against it.

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

III.

OTHER MATTERS

- A. The Member 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 Member 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 Member agrees to pay any monetary sanctions imposed on it upon notice that this AWC has been accepted and that such payments are due and payable and have attached Election of Payment forms showing the method by which it proposes to pay any fine imposed.
- C. The Member 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.

The Member certifies that a duly authorized officer of the Member has read and understands all of the provisions of this AWC and has 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 Member to submit it.

Equity Planning Securities Corp.

9/20/05
Date

By Ned S. Weingast
Its Principal

Reviewed by:

Counsel for Respondent

Accepted by NASD:

Date 10/14/05


Carlotta A. Romano
Senior Vice President and Regional
Signed on behalf of the Director
delegated authority