

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT

NO.

**To: Department of Enforcement
NASD**

Re: Perrin, Holden & Davenport Capital Corp. (BD No. 38785)

Pursuant to NASD Procedural Rule 9216, Perrin, Holden & Davenport Capital Corp. ("PHD" 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 the National Adjudicatory Council (NAC) Review Subcommittee or the Office of Disciplinary Affairs (ODA), pursuant to NASD Procedural 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 the Firm;
 - 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 Procedural Rule 8310 and IM-8310-2; and
 - d. The Firm 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 the Firm's testimonial obligations or rights to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

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The Firm 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:

~~The Firm has been a member of NASD since April 30, 1996. The Firm conducts~~
a general securities business from its main office located in New York, NY. The Firm does not have any relevant disciplinary history with the Securities and Exchange Commission, any state securities regulator, or self-regulatory organization.

I. WAIVER OF PROCEDURAL RIGHTS

The Firm 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 the Firm;
- 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.

Furthermore, 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.

In addition, the Firm specifically and voluntarily waives any right to claim that a person violated the *ex parte* prohibitions of NASD Procedural Rule 9143 or the separation of functions prohibitions of NASD Procedural 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 Firm hereby accepts and consents, without admitting or denying the 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:

At various time periods from November 2002 through October 2005, PHD failed to report to NASD, in a timely manner, statistical and summary information relating to 24 customer complaints received by the firm by the 15th day of the month following the calendar quarter in which the customer complaints were received. In addition, at various time periods between November 2002 through October 2005, PHD failed to report to NASD statistical and summary information relating to 22 customer complaints received by the firm. As a result of such conduct, the firm violated NASD Conduct Rules 3070(c) and 2110.

- B. The Firm also consents to the imposition, at a maximum, of the following sanctions:
1. The Firm shall be censured.
 2. The Firm shall pay a \$12,500 fine.

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

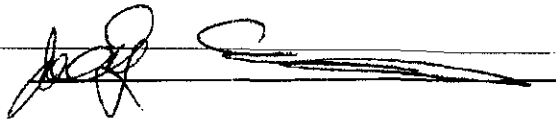
III. OTHER MATTERS

- A. The Firm understands it may attach a Statement of Corrective Action to this AWC, which is a statement of demonstrable corrective steps taken to prevent future misconduct. The Firm 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 it upon notice that this AWC has been accepted and that such payments are due and payable. The Firm has attached an Election of Payment form showing the method by which it proposes 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.

The Firm certifies that this AWC has been read and that all provisions of this AWC are understood, and that the Firm 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 Firm to submit it.

PERRIN, HOLDEN & DAVENPORT CAPITAL
CORP.

5/30/2007
Date

By: 

Reviewed by Counsel

5/31/2007
Date


Phillipson & Uretsky, LLP
111 Broadway, 8th Floor
New York, NY 10006
Counsel for Perrin, Holden & Davenport Capital
Corp.

Accepted by NASD:

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

6/13/07
Date


Samuel L. Barkin, Regional Counsel
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