

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E102002299902

**TO: Department of Enforcement
NASD**

**RE: Isaac Vidomlanski, Respondent
[CRD No. 1450598]**

Pursuant to Rule 9216 of NASD Code of Procedure, I, Isaac Vidomlanski, Respondent, 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.

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

I also understand that my 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:

I first became registered with NASD as a General Securities Representative ("GSR") on or about January 17, 1986, through my association with a former NASD member firm.

Since on or about October 29, 2004, I have been registered as an Equity Trader, Financial and Operations Principal ("FINOP"), General Securities Principal, GSR, and Registered Option Principal, through my association with another NASD member firm.

On or about July 11, 2001, I entered into an AWC with NASD imposing a joint and several fine of \$2,500.00 and a censure against me for filing an inaccurate June 1998 FOCUS report for International Securities Corporation (CRD No. 36023) ("ISC") which resulted from an erroneous net capital calculation, and failing to maintain sufficient net capital while conducting a securities business.

I.

WAIVER OF PROCEDURAL RIGHTS

I 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 me;
- 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, I 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.

I 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. I 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. On September 30, 2002, a date it conducted a securities business, ISC, acting through me, pursuant to SEC Rule 15c3-1, had a net capital requirement of \$100,000.00, with net capital of \$73,200.00, which resulted in a deficit net capital of \$26,800.00. The reason for the deficiency was ISC failed to include certain outstanding accounts payable and adverse judgments and liens in its net capital calculation.

2. On October 31, 2002, a date it conducted a securities business, ISC, acting through me, pursuant to SEC Rule 15c3-1, had a net capital requirement of \$100,000.00, with a net capital of \$37,064.00, which resulted in a deficit net capital of \$62,936.00. The reason for the deficiency was ISC failed to include certain outstanding accounts payable and adverse judgments and liens in its net capital calculation.

By reason of the foregoing, I violated NASD Conduct Rule 2110.

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

a fine in the amount of \$5,000.00, and

a suspension from acting in the capacity of FINOP with any NASD member for ten (10) business days.

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

III.

OTHER MATTERS

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

I certify that I 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 me to submit it.

11/16/05
Date

Isaac Vidomlanski
Isaac Vidomlanski, Respondent

Accepted by NASD:

November 29, 2005
Date

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

Peter Bon Viso
Peter Bon Viso
Senior Regional Attorney
NASD Department of Enforcement
One Liberty Plaza, 48th Floor
New York, New York 10006
(212) 858-3998; fax no. (212) 858-4770

NASD District Director

Hans Reich

NASD, District 10

One Liberty Plaza, 49th Floor

New York, New York 10006

(212) 858-4180