

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E8A2003078701

TO: Department of Enforcement
NASD

RE: Adam W. Holden
Registered Representative
CRD No. 1904035

Pursuant to Rule 9216 of the NASD Code of Procedure, Adam W. Holden ("Respondent") 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 me alleging violations based on the same factual findings.

Respondent 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 them; 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 their 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 in which the NASD is not a party.

I also understand that my experience in the securities industry and disciplinary history may be factors which will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Adam W. Holden entered the securities industry as an Investment Company/Variable Contracts Products Representative with New England Securities, an NASD member, in February 1989. Respondent became a General Securities Representative in July 1996 and was registered in the same capacity with Alanar Incorporated ("Member"), an NASD member, until September 2003. Respondent is not currently registered with another NASD member and he has no prior disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under the 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:

From in or about April 2001 to August 2003, Respondent participated in private securities transactions for compensation, without providing prior written notification to, and receiving prior written approval from, the Member. The securities transactions involved sales of bonds to approximately fifty-four (54) public customers who, on a total of approximately sixty-nine (69) occasions, purchased approximately \$1,311,999 of securities in the form of bonds issued by various churches, as set forth on Exhibit A, which is attached hereto and incorporated by reference. In connection with these private securities transactions, Respondent received commissions totaling approximately \$60,992.

The aforementioned acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 3040.

- B. Respondent also consents to the imposition, at a maximum, of the sanctions of a one-year suspension from association with any member of the Association in any and all capacities, a fine of \$5,000, and an order to disgorge commissions in the total amount of \$60,992. The fine shall be due and payable to NASD either prior to reassociation with a member firm following the one-year suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier, at which time Respondent may elect the installment payment plan if selected on the attached Election of Payment Form.

The disgorgement shall be due and payable to the receiver, if one has been appointed by the court, in the case of *United States Securities and Exchange Commission v. Alanar, Inc. et. al.* 1102-JDT-TAB, currently pending in the United States District Court Southern District of Indiana, either prior to reassociation with a member firm following the one-year suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. Satisfactory proof that Respondent has paid \$60,992 to the receiver shall be a prerequisite for re-association with any NASD member firm.

If at the time of either reassociation with a member firm following the one-year suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier, there is no court-appointed receiver in the case of *United States Securities and Exchange Commission v. Alanar, Inc. et. al.*, the \$60,992 in commissions shall be due and payable to NASD, at which time Respondent may elect the installment payment plan if selected on the attached Election of Payment Form.

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

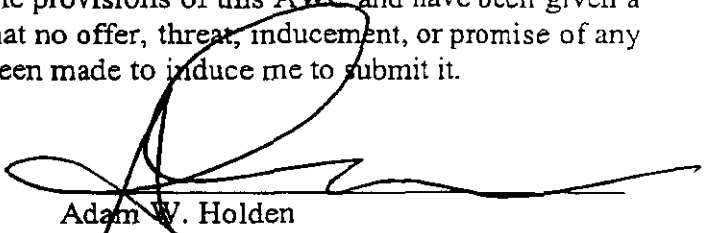
III.

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, due upon reentry as noted above, 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.
- D. I understand that if I am barred or suspended from association with any NASD member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)

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.

11/29/05
Date


Adam W. Holden
Registered Representative

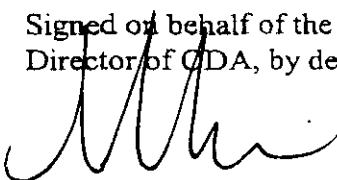
Reviewed by:

Counsel for Respondent

Accepted by NASD:

12/5/05
Date

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



Marcletta Kerr
Regional Attorney
NASD Department of Enforcement
55 W. Monroe Street, Suite 2700
Chicago, IL 60603-5052
(312) 899-4673

NASD District Director
Carlotta A. Romano
Senior Vice President and Regional Director
NASD District 8
55 W. Monroe Street, Suite 2700
Chicago, IL 60603-5052
(312) 899-4324

Attachment: Election of Payment Form

Letter of Acceptance, Waiver and Consent
Exhibit A
Sales of Bonds by Adam Holden

<u>Customer</u>	<u>Total Investment</u>
PC	\$11,087.00
PC	\$16,670.00
RU	\$15,852.00
LA	\$10,633.00
LS	\$14,071.00
CC	\$19,719.00
LP	\$9,146.00
RH	\$7,387.00
JS	\$18,292.00
RH	\$20,000.00
JB	\$21,000.00
CL	\$10,000.00
GS	\$13,500.00
WS	\$10,000.00
MD	\$25,750.00
LF	\$5,000.00
RC	\$10,000.00
BM	\$8,284.45
SL	\$22,000.00
JC	\$15,000.00
CT	\$10,000.00
RH	\$14,861.00
KM	\$17,032.00
SL	\$8,916.00
LM	\$6,511.00
KS	\$9,912.00
DL	\$11,545.00
TB	\$12,150.00
LS	\$17,234.00
RU	\$26,000.00
BS	\$20,000.00
MB	\$75,000.00
LR	\$31,000.00
DS	\$5,000.00
OR	\$25,000.00
BK	\$28,500.00
GS	\$20,000.00
VS	\$10,000.00
DB	\$10,000.00
LM	\$20,000.00
RL	\$12,166.52
RB	\$15,000.00
CS	\$22,500.00
DS	\$38,000.00

<u>Customer</u>	<u>Total Investment</u>
DH	\$6,000.00
KZ	\$20,000.00
SD	\$16,500.00
PH	\$6,500.00
RH	\$10,000.00
CM	\$15,000.00
JB	\$8,500.00
OR	\$16,248.00
TF	\$10,000.00
PC	\$25,000.00
AS	\$41,651.00
JM	\$20,000.00
JM	\$46,000.00
JM	\$12,000.00
DS	\$69,208.92
TM	\$40,571.33
RS	\$14,000.00
RB	\$30,000.00
RH	\$27,000.00
RH	\$21,202.00
EM	\$12,000.00
JM	\$24,000.00
VS	\$15,750.00
MD	\$19,149.00
EM	\$36,000.00
<u>TOTAL</u>	<u>\$1,311,999.22</u>