

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E8A2005005301

TO: Department of Enforcement
NASD

RE: Computershare Securities Corporation
(CRD No. 107023)

Pursuant to Rule 9216 of NASD Code of Procedure, Computershare Securities Corporation ("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

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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 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:

Computershare Securities Corporation became a member of NASD and became registered with the Securities and Exchange Commission ("SEC") on May 24, 2001. The Member conducts a general securities business on a fully disclosed basis. 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:

**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)**

1. On December 31, 2001, January 31, 2002, February 28, 2002, March 28, 2002, April 30, 2002, May 31, 2002, June 28, 2002, July 31, 2002, August 30, 2002, October 31, 2002, January 31, 2003, February 28, 2003, May 30, 2003, June 30, 2003, July 31, 2003, August 29, 2003, September 30, 2003, October 31, 2003, November 28, 2003, December 31, 2003, January 30, 2004, February 27, 2004, March 31, 2004, April 30, 2004, May 28, 2004, June 30, 2004, July 30, 2004, September 30, 2004, October 29, 2004, November 30, 2004, December 31, 2004 and January 31, 2005, the Member, failed to comply with SEC Rule 15c3-1, in that it used the mails or other means or instrumentalities of interstate commerce to effect transactions in securities, while the Member failed to maintain the minimum required net capital, as shown on Schedule A attached hereto and incorporated by reference, in violation of SEC Rule 15c3-1 and NASD Conduct Rule 2110 by the Member. During a routine examination of the Member, NASD staff discovered that the Member was executing securities transactions while it failed to maintain its minimum required net capital. As shown on Schedule A, the deficiencies in the required net capital occurred because the Member failed to accrue for liabilities that were owed to the Member's clearing firm. The deficiencies of the Member's minimum required net capital covered a long period of time because after discovering the deficiency, NASD staff reviewed the Member's books and records over the previous three years.

2. The Member failed to comply with SEC Rule 17a-3(a), in that it prepared an inaccurate trial balance and net capital computation for December 31, 2001, January 31, 2002, February 28, 2002, March 28, 2002, April 30, 2002, May 31, 2002, June 28, 2002, July 31, 2002, August 30, 2002, October 31, 2002, January 31, 2003, February 28, 2003, May 30, 2003, June 30, 2003, July 31, 2003, August 29, 2003, September 30, 2003, October 31, 2003, November 28, 2003, December 31, 2003, January 30, 2004, February 27, 2004, March 31, 2004, April 30, 2004, May 28, 2004, June 30, 2004, July 30, 2004, September 30, 2004, October 29, 2004, November 30, 2004, December 31, 2004 and January 31, 2005, in that the Member overstated its net capital by varying amounts as shown on Schedule A, because it failed to accrue for a payable to the Member's clearing firm, which resulted in a deficiency in the Member's required minimum net capital, in violation of SEC Rule 17a-3(a) and NASD Conduct Rules 2110 and 3110(a) by the Member.
3. The Member failed to comply with SEC Rule 17a-5, in that it filed an NASD FOCUS Part IIA Report for the calendar months ending December 31, 2001, March 28, 2002, June 28, 2002, June 30, 2003, September 30, 2003, December 31, 2003, March 31, 2004, June 30, 2004, September 30, 2004, and December 31, 2004, which were inaccurate in that, among other things, the Report overstated the Member's net capital, as noted above, 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 \$60,000 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.

- 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.

1/19/06
Date

ComputerShare Securities Corporation

By [Signature]
Its BARBARA ITALL
CEO

Counsel for Respondent

Date 2/13/06

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[illegible]

Footnote #2: The Minimum Net Capital based on Aggregated indebtedness for this month computes to less than \$5,000. As such, the firm's minimum requirement of, \$5,000 applies (pursuant to SEC Rule 15c3-1).

[illegible][illegible][illegible]

[illegible]

Footnote #1: The February 4, 2005 Net Capital Computation was the only instance to date (as of 2/10/05) where the firm calculated its Minimum Net Capital Computation based on indebtedness total (A). All previous months' A1 totals were inaccurate due to firm's failure to accrue for payable due to Broadcor.

Footnote #2: The Minimum Net Capital based on Aggregated indebtedness for this month computes to less than \$5,000. As such, the firm's minimum requirement of, \$5,000 applies (pursuant to SEC Rule 15c3-1).

[illegible]

[illegible]

Footnote #1: The February 4, 2005 Net Capital Computation was the only instance to date (as of 2/1/05) where the firm calculated its Minimum Net Capital Computation based on months' AI totals were inaccurate due to firm's failure to accrue for payable due to Broadcor.

Footnote #2: The Minimum Net Capital based on Aggregated Indebtedness for this month computes to less than \$5,000. As such, the firm's minimum requirement of \$5,000 applies.

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