

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E9A2005002501

TO: Department of Enforcement
NASD

RE: Cohen Bros. & Company, LLC
Member
CRD No. 104002

Pursuant to Rule 9216 of the NASD Code of Procedure, Cohen Bros. & Company, LLC ("CBC") 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 it alleging violations based on the same factual findings.

CBC 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, National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs 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 it; and
3. If accepted:
 - a. this AWC will become part of its permanent disciplinary record and may be considered in any future actions brought by the 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 its 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 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 right to take legal or factual positions in litigation in which the NASD is not a party.

CBC also understands that its 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:

CBC has been an NASD member since October 2000. Its main office is located in Philadelphia, Pennsylvania and it currently maintains three branch offices. The firm conducts a general securities business on a fully disclosed basis. CBC has no relevant disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

CBC 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 firm specifically and voluntarily waives any right to claim bias or prejudice 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.

CBC 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. CBC 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:
1. From about September 9, 2005 to about December 30, 2005, CBC failed to report timely 21 transactions in TRACE eligible securities in accordance with NASD Systems and Programs Rule 6230. Accordingly, CBC violated NASD Systems and Programs Rule 6230 and Conduct Rule 2110.
 2. From September 2005 through at least December 2005, CBC failed to establish, maintain and enforce written supervisory procedures that were reasonably designed to achieve compliance with its trade reporting obligations under NASD Systems and Programs Rule 6230. Accordingly, CBC violated NASD Conduct Rules 3010 and 2110.
- B. CBC also consents to the imposition, at a maximum, of the sanctions of a censure and a \$10,000 fine.

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

III.

OTHER MATTERS

- A. CBC understands that it may attach a Corrective Action Statement to this AWC which is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm further 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. CBC 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 has attached an Election of Payment form showing the method by which it proposes to pay any fine imposed.
- C. CBC 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.

CBC certifies that it 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 it to submit it.

Cohen Bros. & Company, LLC

8/2/06

Date

By: 

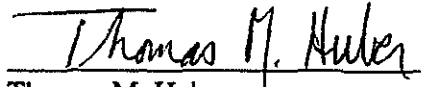
Kenneth R. Smith
Chief Compliance Officer

Accepted by NASD:

August 14, 2006

Date

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



Thomas M. Huber
Regional Counsel
NASD Department of Enforcement
1835 Market Street, Suite 1900
Philadelphia, PA 19103
(215) 963-1990

NASD Associate District Director

James F. Flicker
NASD, District 9A
1835 Market Street, Suite 1900
Philadelphia, PA 19103
(215) 665-1180