

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. SAF200700767**

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REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Integrated Financial Planning Services, Inc., Respondent
Member Firm
BD No. 17935

Barry Ernest Swanson., Respondent
CRD No. 706508

Pursuant to Rule 9216 of FINRA's Code of Procedure, Integrated Financial Planning Services, Inc. and Barry Ernest Swanson ("Respondents") submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the Respondents alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Each Respondent 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 FINRA, or to which FINRA 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 FINRA:

BACKGROUND

1. **Integrated Financial Planning Services, Inc.** Integrated Financial Planning Services, Inc. ("IFPS" or the "Firm") has been a registered broker-dealer and a member of FINRA (f/k/a National Association of Securities Dealers or NASD) since June 13, 1986.
2. IFPS is headquartered in Heidelberg Germany. During the relevant period, the firm had approximately 120 registered representatives, virtually all of whom were independent contractors conducting securities business in one- person offices in the United States, Japan and six European countries.

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3. The firm currently has 85 registered representatives and has offices in the United States and Europe.
4. **Barry E. Swanson.** Barry E. Swanson ("Swanson") entered the securities industry in 1980. He first registered with FINRA (f/k/a National Association of Securities Dealers or NASD) as a General Securities Principal and a General Securities Sales Supervisor in June 1984.
5. Since April 2004 he has also been registered as a Municipal Securities Fund Principal. He founded IFPS in June 1986, and since that time, has been the sole owner of the Firm and its President.

RELEVANT PRIOR DISCIPLINARY HISTORY

6. Neither IFPS nor Swanson has been the subject of any prior relevant formal disciplinary history.

SUMMARY

7. During the period January 1, 2002 through December 31, 2004 (the "relevant period"), IFPS registered representatives who were independent contractors at remote offices sold Systematic Investment Plans ("Plans")¹ primarily to military personnel. Under the Plans, investors agree to make monthly payments for a fixed term of 10 or 15 years, and such payments are invested in underlying mutual funds.
8. The purchaser is required to pay a sales load of 50% percent on the first year's payments. Payments over the remaining term are not subject to sales charges, and as the purchaser makes additional investments, he pays a decreasing effective sales charge relative to the total investment made. Because customers paid a 50% upfront sales load during the first year of the Plan, a customer who prematurely stopped payments would effectively pay a high sales load for the amount that had been invested when the payments stopped.
9. During the relevant period, IFPS failed to adequately supervise these sales to ensure adherence with FINRA's requirement to deal fairly with customers and recommend investments that are consistent with the reasonable expectation that the investor has the financial ability to make the payments.

¹ The Plans were regulated under Section 27 of the Investment Company Act of 1940, 15 U.S.C. § 80a-27. On September 29, 2006, Congress enacted the Military Personnel Financial Services Protection Act, Pub. L. No. 109-290, 120 Stat. 1317 (2006) ("the Act"). Section 4(a)(1) of the Act states that effective 30 days after the date of enactment, it shall be unlawful for any registered investment company to issue any periodic payment plan certificate, or for any such company, or any depositor of underwriter for such a company, or any other person to sell such a certificate. Section 4(a)(2) provides that this provision shall not "alter, invalidate, or otherwise affect any rights or obligations, including rights of redemption," under any periodic payment plan sold before the termination date.

10. In addition, IFPS did not have an adequate supervisory system to ensure that its registered representatives complied with Department of Defense ("DoD") regulations regarding securities sales on military installations and did not implement an effective remote-site supervisory inspection program.
11. Further, during the relevant period and during 2005, IFPS failed to (i) retain all e-mail related to its business, (ii) make certain reports to FINRA in a timely and accurate manner, and (iii) ensure compliance with rules relating to continuing education, advertising and anti-money laundering compliance.

FACTS and VIOLATIVE CONDUCT

IFPS and Swanson Failed to Adequately Supervise Systematic Investment Plan Sales to Military Service Members by Independent Contractors at Remote Sites—Violations of NASD Rules 3010 and 2110

Failure to Adequately Supervise Systematic Investment Plan Sales

12. Although a major business of IFPS was selling the Plans, IFPS and Swanson, who was responsible for supervision at IFPS, did not have adequate systems or procedures to review whether Plan recommendations were consistent with the customer's financial ability to make the agreed-upon monthly payments.² Further, the Firm did not provide adequate supervisory review of certain sales that suggested the investments may be beyond the customer's capability.
13. For example, an IFPS registered representative recommended to one investor, a member of the U.S. Navy, that he participate in a 15 year Plan, at the level of \$250 per month. According to new account documents, this investor was 21 years old,³ had an annual income of \$10,000 and represented on the application that he had a net worth of "10 yen" (about 8 cents). The client invested in the Plan, but ceased making payments within 14 months without terminating the Plan, effectively incurring a sales charge of 37% for his investment.⁴

² As set forth in NASD IM-2310-2 (Fair Dealing with Customers), "[r]ecommending the purchase of securities or the continuing purchase of securities in amounts which are inconsistent with the reasonable expectation that the customer has the financial ability to meet such a commitment" violates the responsibility of members and registered representatives to deal fairly with customers.

³ The service member, an E-2, had known the registered representative for only 1 day.

⁴ The Plans provided that purchasers who terminated the Plan within the first 45 days paid no sales charge and those who terminated within the first 18 months paid a maximum sales charge of 15%. An investor who stopped payments without notifying the Plan sponsor that he was terminating his payments, could incur a sales charge as high as 50%.

Failure to Adequately Supervise Compliance with DoD Regulations Regarding On-Base Solicitation

14. IFPS focused its sales on military personnel, many of whom lived and worked on military installations and IFPS's registered representatives frequently entered military installations to market the Plans. Federal regulations promulgated by DoD govern commercial solicitation on military installations.⁵
15. Although IFPS representatives conducted most of their Plan sales on military installations, IFPS and Swanson failed to establish, maintain or enforce procedures reasonably designed to ensure compliance with these federal regulations.

Failure to Adequately Supervise Independent Contractors/Remote Offices

16. During the relevant period, although IFPS had approximately 120 registered representatives who were independent contractors, conducting their business from locations remote from their designated supervisors, IFPS and Swanson failed to establish an effective remote-site supervisory inspection program.
17. IFPS and Swanson failed to ensure that each non-registered office was examined on a regular basis at the remote location. By December 2005, IFPS had not inspected any of its non-registered off-site offices.⁶
18. By reason of the foregoing, IFPS and Swanson violated NASD Rules 3010 and 2110.

⁵ In connection with the sale of securities, these rules impose restrictions on soliciting business on DoD installations such as requiring permission from the local installation commander before entering an installation to solicit, requiring a specific appointment with the client for meetings that must be held in family quarters or another specific area designated by the installation commander, and prohibiting solicitation of recruits, trainees or transient personnel in a "mass" or "captive" audience or making appointments with or soliciting military personnel who are in an "on-duty" status. See e.g., DoD Directive 1344.7, Subject: Personal Commercial Solicitation on DoD Installations, February 13, 1986 (through change 2, May 1991) (the "DoD Directive") codified at 32 C.F.R. § 43 (2005). In July 2006, DoD promulgated rules to further reduce and control the access of sales persons, including registered representatives, to service members. See also, *Personal Commercial Solicitation on DoD Installations*, 70 F.R.20316 (July 10, 2006) codified at 32 C.F.R. § 50 (2006) (replacing the DoD Directive).

⁶ See Notice to Members 98-38, *NASD Reminds Members of Supervisory and Inspection Obligations*, May 1998. As set forth in NTM 98-38, firms that employ off-site registered representatives must establish and carry out procedures that subject such individuals to effective supervision designed to monitor their securities-related activities and to detect and prevent regulatory and compliance problems. Firms should maintain regular and frequent professional contact with off-site registered representatives and implement appropriate supervisory practices, such as records inspections and compliance audits at the registered representatives' places of employment, to ensure that their methods of business and day-to-day operations comply with applicable rules and requirements.

**IFPS Did Not Establish an Effective Anti-Money Laundering Compliance Program—
Violations of MSRB Rule G-41 and NASD Rules 3011 and 2110**

19. During the period 2002 through 2005, IFPS sold Plans, mutual funds, and Section 529 college savings plans. The Bank Secrecy Act, as amended by the USA PATRIOT Act, NASD Rule 3011 and MSRB Rule G-41 (which imposes Bank Secrecy Act requirements in connection with municipal securities sales, including 529 plans) require each member firm to establish an Anti-Money Laundering Compliance Program (“AMLCP”).
20. Although IFPS had established written AMLCP policies and procedures, IFPS did not have guidelines to identify or report potentially suspicious transactions and did not delineate steps to take to investigate suspicious activity as required by NASD Rule 3011(a).
21. Further, although IFPS established a customer identification program policy that required registered representatives to verify the identity of customers by checking identification cards issued by the military, the Firm did not adequately document the extent to which that policy was followed as required by Rule 3011(b). Additionally, IFPS did not provide for independent testing of the Firm’s compliance with its AMLCP in violation of Rule 3011(c) and did not maintain adequate procedures for providing or conducting ongoing AML training in violation of Rule 3011(e).
22. By reason of the foregoing, IFPS violated MSRB Rule G-41 and NASD Rules 3011 and 2110.

**IFPS and Swanson Failed to Amend a Form U-4, and Timely Make a Required Report
and Report Complaints—Violations of the FINRA By-Laws (Article V, Section 2),
IM-1000-1 and NASD Rules 3070, 3010 and 2110**

23. IFPS and Swanson failed to timely disclose on Form U-4 and report to FINRA that the license of one IFPS registered representative to solicit on military installations in Europe was suspended by the military for soliciting insurance sales on base without appropriate licensing from an insurance company unrelated to IFPS.
24. IFPS also failed to timely report six customer complaints⁷ and did not have an effective supervisory system reasonably designed to preclude these reporting violations.

⁷ IM-1001-1 requires complete and accurate filings, including Form U-4 (Uniform Application for Securities Industry Registration) and the FINRA By-Laws require that Forms U-4 be kept current at all times through amendments made not later than 30 days after learning of the facts or circumstances giving rise to the amendment. NASD Rule 3070(b) requires, among other things, that firms report to FINRA within 10 days whenever a person associated with the firm has been found to have violated any provision of any rule or standard of conduct of any governmental agency. NASD Rule 3070(c) requires firms to report customer complaints by the 15th day of the month following the calendar quarter in which received.

25. By reason of foregoing, IFPS and Swanson violated the FINRA By-Laws (Article V, Section 2), IM-1000-1 and NASD Rules 3070, 3010 and 2110.

**IFPS and Swanson Failed to Report Branch Offices—Violations of the FINRA By-Laws
(Article IV, Section 8), IM-1000-4 and NASD Rules 3010 and 2110**

26. During the period 2002 through 2005, at least 34 IFPS registered representatives listed locations where they conducted securities business on business cards, on letterheads or in other communications with the public without identifying the supervising IFPS branch office or Office of Supervisory Jurisdiction (“OSJ”).
27. Under NASD rules, when a location was held out to the public as a location where securities business was conducted without identifying either the branch office or OSJ that supervised that location, the location should have been registered as a branch office on Form BD.⁸
28. IFPS, through Swanson, did not register these locations as branch offices on Form BD as required. Furthermore, IFPS, through Swanson, assigned responsibility for supervising the activities of registered representatives at one or more non-branch locations to up to eight different supervisors at eight separate locations.
29. Each such location that supervised one or more non-branch locations should have been listed as a branch office on Form BD, but none were so listed. IFPS and Swanson failed to establish, maintain and enforce supervisory and compliance policies and procedures that were reasonably designed to achieve compliance with respect to IFPS’s reporting obligations.
30. By reason of the foregoing, IFPS and Swanson violated the FINRA By-Laws (Article IV, Section 8), IM-1000-4, and NASD Rules 3010 and 2110.

**IFPS and Swanson Failed to Comply with Continuing Education Rules—
Violations of NASD Rules 1120, 3010 and 2110**

31. Although IFPS had continuing education (“CE”) program compliance and supervisory policies and procedures, they were not reasonably designed to achieve compliance with respect to certain of IFPS’s continuing education obligations pursuant to NASD Rule 1120.

⁸ IM-1000-4 addresses the need for members to properly designate and register branch offices. The FINRA By-Laws require that membership applications be kept current at all times through amendments made not later than 30 days after learning of the facts or circumstances giving rise to the amendment. On September 9, 2005, the SEC approved amendments to NASD Rule 3010, revising the definition of “branch office” effective July 3, 2006. The violations described herein are with respect to the branch office definition in effect prior to July 3, 2006.

32. In 2002 and 2003, numerous IFPS registered representatives failed to complete the regulatory element of the CE program annually as required and IFPS, through Swanson, permitted those registered representatives to conduct sales activities in violation of NASD Rule 1120(a).
33. Also, from 2002 to 2004 IFPS, through Swanson, failed to develop the required annual written training plan and permitted a substantial number of registered representatives to avoid timely completion of the firm element of the Firm's CE program in violation of NASD Rule 1120(b).
34. By reason of the foregoing, IFPS and Swanson violated NASD Rules 1120, 3010 and 2110.

**IFPS and Swanson Failed to Supervise the Contents of the Firm's Website
and the Websites of Two Registered Representatives
and Each Website Violated Advertising Rules—
Violations of NASD Rules 2210, 3010 and 2110**

35. Publicly available websites used in connection with a securities business are advertisements subject to NASD Rule 2210, which prohibits exaggerated and unwarranted claims.
36. The contents of two websites operated by IFPS's registered representatives and the Firm's website contained exaggerated and unwarranted claims about the registered representatives' expertise and success clients could anticipate. The Firm's website also inaccurately stated that a large number of its representatives were Certified Financial Planners ("CFPs"), when only a small percentage were.
37. Finally, the firm's website continued to show Swanson as a CFP at least four months after Swanson was no longer certified by the Certified Financial Planner Board of Standards as a CFP. The Firm and Swanson did not adequately supervise these websites to detect and deter these violations.
38. By reason of the foregoing, IFPS violated NASD Rules 2110, 2210 and 3010 and Swanson violated NASD Rules 3010 and 2110.

**IFPS Failed to Retain All E-Mails Related to Its Business and
Certain Customer Account Records—Violations of Exchange Act Section 17(a),
SEC Rule 17a-3, SEC Rule 17a-4 and NASD Rules 3110 & 2110**

39. Pursuant to SEC Rule 17a-4, IFPS was required to retain all e-mails relating to IFPS's business as such. Although IFPS registered representatives used email to conduct securities business, IFPS had no system to retain those e-mails.

40. Accordingly, not all e-mails that should have been retained were retained for three years, and not all were retained for the first two years in an accessible place as required by SEC Rule 17a-4.
41. In addition, during the relevant period, numerous new account forms related to Plan purchases were incomplete and, in some instances, IFPS failed to preserve any customer account documentation. IFPS also failed to implement an adequate supervisory system to ensure compliance with the books and records requirements of the federal securities laws and NASD rules.
42. By reason of the foregoing, IFPS violated Exchange Act Section 17(a) and SEC Rules 17a-3(a) and 17a-4 and NASD Rules 3110, 3010 and 2110.

B. Sanctions

Respondents consent as follows:

1. IFPS consents to the imposition, at a maximum, of the following sanctions:
 - a. A censure;
 - b. A fine in the amount of \$90,000,⁹ of which \$50,000 is joint and several with Swanson;
2. Swanson consents to the imposition, at a maximum, of the following sanctions:
 - a. A joint and several fine with IFPS of \$50,000;
 - b. A suspension from acting in any principal capacity with any FINRA member for a period of 20 business days.
3. Respondents agree to pay the monetary sanctions imposed upon notice that this AWC has been accepted and that such payments are due and payable. Each Respondent has submitted an Election of Payment form showing the method by which Respondent proposes to pay any fine imposed. Each Respondent specifically and voluntarily waives any right to claim that Respondent is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

⁹ Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, FINRA imposed a lower fine in this case after it considered, among other things, the Firm's revenues and financial resources. See Notice to Members 06-55.

4. IFPS and Swanson each agree to complete the following undertakings:

- a. IFPS and Swanson shall review and revise IFPS' written supervisory procedures with respect to on-base solicitation, continuing education, reporting and AML requirements.
- b. Within 60 business days of Notice of Acceptance of this AWC, Swanson shall certify in writing to the FINRA staff that IFPS' written supervisory procedures are reasonably designed to achieve compliance with its obligations as a member firm with respect to the areas described in 4(a).

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

II.

WAIVER OF PROCEDURAL RIGHTS

Each Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against Respondent;
- 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 National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, each Respondent 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.

Each Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD 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.

III.

OTHER MATTERS

Respondents understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC or Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against any Respondent; and
- C. If accepted:
 - 1. this AWC will become part of each Respondent's permanent disciplinary records and may be considered in any future actions brought by FINRA or any other regulator against each Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about each Respondent's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. Respondents 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. Respondents may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the right of Respondents to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondents understand that each may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Each Respondent understands that he 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 FINRA, nor does it reflect the views of FINRA or its staff.

Each Respondent certifies that the Respondent has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that each Respondent has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce any Respondent to submit it.

10 AUG 2007
Date

Integrated Financial Planning Services, Inc.

By: 

Name: Barry Ernest Swanson

Title: President

10 AUG 2007
Date


Barry Ernest Swanson

Reviewed by:

Liner Yankelevitz Sunshine & Regenstreif LLP


By: Margaret P. Stevens, Esq.

Counsel for Integrated Financial Planning Services, Inc. and Barry E. Swanson

Liner Yankelevitz Sunshine & Regenstreif LLP

1100 Glendon Avenue - 14th Floor

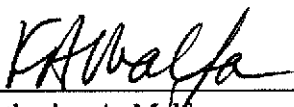
Los Angeles, California 90024

Telephone 310.500.3500

Accepted by FINRA:

9/5/07
Date

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


Katherine A. Malfa
Vice President
FINRA Department of Enforcement
1801 K Street
Suite 800
Washington, DC 20006

This Corrective Action Statement is submitted by the Respondents. It does not constitute factual or legal findings by FINRA nor does it reflect the views of FINRA, or its staff.

CORRECTIVE ACTION STATEMENT

DATE: August 31, 2007

TO: FINRA

RE: Integrated Financial Planning Services, Inc. ("IFPS"), Barry E. Swanson ("Swanson")

This Corrective Action Statement concerns the subject matter of a Letter of Acceptance, Waiver and Consent, between Respondents IFPS and Swanson and FINRA.

As a result of the events giving rise to an examination of IFPS and Swanson by the FINRA Department of Enforcement, the following corrective actions have been taken:

Systematic Investment Plan Sales by IFPS' Registered Representatives ("RRs")

IFPS stopped sales of the Systematic Investment Plans at the end of 2004, with the exception of a few sales completed in early 2005.

IFPS revised its New Account Transmittal Form by expanding the information provided by clients that is memorialized on documentation submitted to the supervisory offices.

Supervision of Compliance with Department of Defense ("DoD") Regulations For On-Base Solicitation

IFPS has instituted new policies for both supervisors and RRs to ensure compliance with DoD Regulations.

IFPS supervisory meetings now include a component for DoD Regulations, including a review of the new IFPS policies to ensure compliance by RRs.

At every annual renewal of an RR's USAREUR Commercial Solicitation Permit, IFPS has instituted a policy whereby a supervisor reviews the RR's Permit to confirm that it reflects the proper approval for each product solicited or sold on military installations by the RR. During this review process prior to renewal, the RR's supervisor also discusses the DoD Regulations regarding on-base solicitation.

IFPS updated its continuing education presentation on DoD Regulations to include more detailed information for its RRs.

Supervision of Independent Contractors at Remote Offices

IFPS implemented a system to conduct in-person inspections of each of its RRs at remote offices.

This Corrective Action Statement is submitted by the Respondents. It does not constitute factual or legal findings by FINRA nor does it reflect the views of FINRA, or its staff.

Anti-Money Laundering Compliance Program

IFPS established a training program to ensure compliance regarding Anti-Money Laundering activities.

The Anti-Money Laundering training is now a more substantial part of the Compliance Meetings for its RRs.

IFPS has instituted use of an "online learning" program and the "Anti-Money Laundering Retail" FINRA course as a required Firm Element for its continuing education.

IFPS has instituted guidelines for identifying certain transactions as potentially suspicious and for investigating and analyzing any such suspicious activities, which include (1) programming its computers in the Commissions and Accounting departments to register unusual spikes in a RR's commissions, and (2) instituting a policy whereby information regarding any suspicious activities is turned over to the IFPS Compliance Officer who in turn makes further inquiries.

IFPS has completed the required independent testing component of the AML program, and has established procedures to ensure such testing is completed in the future, as required.

Complaints Submitted to FINRA

Respondents updated their U-4 forms regarding complaints, and submitted all six (6) complaints to FINRA.

IFPS has implemented procedures to timely report any complaints in the future

Registration of Branch Offices

IFPS instituted a policy to ensure that each RR who operates a remote office understands that the RR is assigned to a specific branch with a supervisor, who is registered with FINRA through the new Form BD.

IFPS also instituted a policy whereby all written materials such as business cards, stationery, or brochures, reflect the supervisory office contact information for that RR.

As a part of the in-person inspection procedure of RRs by supervisors, IFPS reviews the RR's compliance with his or her written materials reflecting the branch office.

IFPS has registered all of the appropriate offices.

Continuing Education Policies and Procedures

IFPS instituted an improved system to detect RRs that are not in compliance with continuing education requirements. Any RR not in compliance is suspended from all sales or sales-related activities until continuing education compliance is achieved.

IFPS developed the required annual written training plan for 2005, 2006, and 2007.

This Corrective Action Statement is submitted by the Respondents. It does not constitute factual or legal findings by FINRA nor does it reflect the views of FINRA, or its staff.

IFPS has instituted procedures such that the written training plan is prepared on an annual basis

IFPS Website and Policies Pertaining to its Registered Representatives' Websites

IFPS has established procedures to ensure that RRs do not have their own websites.

IFPS updated its website, submitted its proposed website to FINRA, and removed content that FINRA considered to be inappropriate.

Email and Record Retention Capabilities

All email related to IFPS business is now routed through a technology firm, Live Office, which provides retention and archival services for the Firm.

IFPS has instituted new procedures for its compliance with record retention requirements.

Sincerely,



Barry E. Swanson
Individually and as President of IFPS