

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF: *

Todd Taskey, individually and in his *
capacity as the sole owner and principal *
of Solutions Planning Group, Inc. *

Securities Docket No. 2005-0254

Respondent *

* * * * *

AMENDED CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Division”), pursuant to the authority granted in sections 11-411(f) and 11-701 of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (1999 Repl. Vol. & Supp. 2005) (the “Act”), undertook an examination of, and a subsequent investigation into, the investment advisory and securities-related activities of Todd R. Taskey and Solutions Planning Group, Inc.; and

WHEREAS, on the basis of that investigation the Maryland Securities Commissioner (the “Commissioner”) determined that the Respondent had engaged in acts or practices constituting violations of sections 11-301, 11-302, and 11-411 of the Act; and

WHEREAS, section 11-412(a)(2) of the Act provides that the Commissioner by order may deny, suspend, or revoke any registration if the Commissioner finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser has

willfully violated or willfully failed to comply with any provisions of this title, a predecessor act, or any rule or order under this title or a predecessor act; and

WHEREAS, section 11-412(a)(7) of the Act provides that the Commissioner by order may deny, suspend, or revoke any registration if the Commissioner finds that the order is in the public interest and that the applicant or registrant, in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser has engaged in dishonest and unethical practices in the securities or investment advisory or any other financial services business; and

WHEREAS, the Commissioner and the Respondent reached an agreement in this action whereby the Respondent, represented by counsel and without admitting or denying the Findings of Fact or Conclusions of Law, expressly consented to the Commissioner's jurisdiction over the subject matter and over him and consented to the terms of this Order; and

WHEREAS, the Commissioner issued a Consent Order on September 15, 2005, that included language inconsistent with that agreement; and

WHEREAS, the parties now wish to modify the signed Consent Order to conform the language of the Consent Order to the agreement; and

WHEREAS, Respondent waives his rights to a hearing and any rights he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order;

NOW THEREFORE, before the holding of a hearing in this matter, without trial or final

adjudication of any issue of fact or law, and upon consent of the parties hereto:

THE COMMISSIONER FINDS:

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding and over the Respondent pursuant to section 11-701.1 of the Act.

II. PARTIES

2. Melanie Senter Lubin is the Securities Commissioner for the State of Maryland.

3. Todd R. Taskey (“Taskey”) maintains a place of business at 11140 Rockville Pike, Rockville, MD, and a place of residence in Potomac, MD. Taskey is the sole owner, the president, and the principal of Solutions Planning Group, Inc. (“SPG”), an investment adviser registered in Maryland since January 1, 1994.

III. FINDINGS OF FACT

Background of Respondent Taskey

4. Taskey is currently registered as a broker-dealer agent with the State of Maryland and as a registered representative with the NASD for H. Beck, Inc. Prior to his affiliation with H. Beck, Inc., he was registered as an investment adviser representative with the State of Maryland from August 2003 to June 2004 while affiliated with Eagle Strategies Corp; was registered as a broker-dealer agent with the State of Maryland from February 2000 to May 2004 while affiliated with NYLife Securities, Inc.; and was registered as a broker-dealer agent with the State of Maryland from January 1994 to February 2000, and as a representative with the NASD from November 1989 to February 2000, while affiliated with MONY Securities Corporation. Since January 1994, Taskey also has provided investment advisory services through SPG; he has been

registered in Maryland as an investment adviser representative for SPG since July 2003.

5. Respondent Taskey has had customer complaints filed against him. In October 2001, a complaint was filed against NYLife Securities, Inc. and Taskey alleging that Taskey negligently handled the transfer of the complainant's assets between two financial institutions, causing the complainant to incur a loss of money and surrender charges. In December 2001, the complaint was settled for approximately \$82,000 with Taskey paying approximately \$21,000 of that settlement amount.

6. In January 2004, an arbitration was filed against MONY Securities Corporation and Taskey alleging that Taskey, in connection with recommending the purchase of an investment in IBF Special Purpose Corporation VII, made material misrepresentations regarding the suitability of the investment for the complainant, and omitted material facts regarding the investment and the nature of the issuer. The matter was settled for \$205,000 in February 2005, with Taskey contributing \$75,000 to the settlement.

7. On or about May 19, 2004, Taskey was terminated from affiliated entities Eagle Strategies and NYLife Securities for allegedly violating company policy including, but not limited to, referring two clients to services offered by eMoney Advisor after having been given written notice from Eagle/NYLife that the eMoney Advisor program was not approved for use by the entities' registered representatives.

8. In March 2004, a customer alleged that Taskey failed to invest the complainant's funds in a timely manner, causing a loss of approximately \$50,000. The complaint was settled for \$36,986.18 in June 2004.

9. In June 2004, a customer alleged that Taskey sold mutual funds without the

client's knowledge or consent, placed the proceeds in money market funds, and failed to invest the funds for a two to three year period. The complaint was denied by NYLife Securities, who failed to find sufficient evidence to support the customer's claim.

Examination of Solutions Planning Group

10. On or about June 2, 1997, the Securities Division conducted an examination of Taskey's investment advisory firm, SPG.

11. During this examination, the Division cited, among other things, the following deficiencies requiring corrective action:

- a. SPG did not maintain copies of each client contract as required by Regulation .16 of COMAR 02.02.05;
- b. SPG did not maintain evidence that it annually offered its disclosure document to clients as required by Regulation .05 of COMAR 02.02.05; and
- c. SPG had failed to file timely amendments to its filings with the Commissioner.

In a letter dated August 26, 1997, the Division notified Taskey of the above-referenced deficiencies and of his obligation, in his capacity as sole owner and principal of SPG, to take steps necessary to cure the deficiencies.

12. On or about December 6, 2004, the Securities Division conducted a second examination of SPG.

13. During this examination, the Division learned that, despite the deficiencies noted by the Division in 1997 and Taskey's obligation to cure those deficiencies going forward, SPG still did not maintain copies of contractual agreements for some clients, did not maintain records evidencing the annual offering of its disclosure document to clients, and had not filed

with the Division material changes to its contractual agreement or disclosure document. A review of the Division's registration file for SPG reflects that SPG has not filed an amendment to its contractual agreement and Form ADV Part II since the mid 1990's, despite the fact that, among other things, Taskey has twice changed affiliations with broker-dealers, SPG has both added and dropped investment adviser representatives, and SPG has materially changed its advisory fee structure.

14. During the examination, Taskey also was unable to produce written supervisory guidelines, canceled checks and bank statements for calendar year 2004, records of securities transactions for SPG's investment adviser representatives, copies of prior versions of SPG's website, and backup copies of electronically maintained records.

IBF CFC promissory notes

15. According to Taskey, while attending an "industry meeting" in 1999, he was introduced by a fellow "adviser" to a private placement investment opportunity being offered through Interbank, a real estate firm located in Washington, DC.

16. According to Taskey, he approached his then broker-dealer MONY Securities to discuss the possibility of offering Interbank fund promissory notes to his clients but was told that Interbank products were not approved for sale by MONY representatives. Having been told of the reliability of income produced by the Interbank notes, however, Taskey explains that he referred to Interbank certain clients expressing a need for diversification and regular monthly income.

17. In or about January 2000, despite MONY's position with respect to Interbank products, Taskey recommended the purchase of IBF Special Purpose Corporation VII 11% Fixed

Rate Income Participating notes to at least three clients (IBF Special Purpose Corporation VII changed its name to IBF Collateralized Finance Corporation in late 2001 and will hereafter be referred to as “IBF CFC”).

18. On Taskey’s recommendation, one client invested \$400,000 in the IBF CFC notes, while two others each invested \$100,000.

19. To generate the funds necessary to purchase the IBF CFC notes, Taskey recommended to one client that she liquidate three securities positions held in her brokerage account at MONY Securities. Another client was advised to use a large cash balance held in his MONY Securities brokerage account to fund the purchase of IBF CFC notes. The funds were then transferred from the clients’ brokerage accounts held at MONY Securities directly to IBF CFC.

20. The three clients received quarterly account statements relating to their investment in IBF CFC notes from Interbank. However, in or about June 2002, the clients received a letter from IBF CFC notifying them of the company’s recent bankruptcy filing as well as an ongoing SEC investigation.

21. On or about June 7, 2002, IBF CFC filed for Chapter 11 bankruptcy protection.

22. On or about July 23, 2002, the Securities and Exchange Commission (“SEC”) filed in the U.S. District Court for the Southern District of New York a complaint against IBF CFC, its principals, and affiliated entities. The complaint alleged that the defendants engaged in a fraudulent investment scheme that raised over \$195 million from 3,100 investors through the issuance of unsecured, high yield bonds. In its complaint, the SEC sought a preliminary and a permanent injunction, an order appointing a trustee to take possession of defendants’ assets, and

disgorgement of all offering proceeds. Although the matter is still pending, the court held that IBF CFC operated as an unregistered investment company, and appointed a trustee to take over the management of the defendants' business.

23. NASD Rule 3040. *Private Securities Transactions of an Associated Person* provides that:

(a) Applicability

No person associated with a member shall participate in any manner in a private securities transaction except in accordance with the requirements of this Rule.

(b) Written Notice

Prior to participating in any private securities transaction, an associated person shall provide written notice to the member with which he is associated describing in detail the proposed transaction and the person's proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction; provided however that, in the case of a series of related transactions in which no selling compensation has been or will be received, an associated person may provide a single written notice.

.....

(d) Transactions not for Compensation

In the case of a transaction or a series of related transactions in which an associated person has not and will not receive any selling compensation, a member which has received notice pursuant to paragraph (b) shall provide the associated person prompt written acknowledgment of said notice and may, at its discretion, require the person to adhere to specified conditions in connection with his participation in the transaction.

24. Taskey failed to disclose to clients:

a. that he was not authorized to participate in any manner in transactions involving IBF CFC notes as the transactions were not authorized by his broker-dealer, MONY Securities;

b. that he was acting in contravention of NASD Rule 3040 by not disclosing

to MONY Securities his participation in his clients' investments in IBF CFC notes, and by not receiving MONY Securities' written permission prior to engaging in such activities; and

c. the risks associated with investing in the unsecured high yielding IBF CFC promissory notes.

25. Taskey failed to exercise due diligence relating to his recommendation of high yielding IBF CFC notes to clients.

IV. CONCLUSIONS OF LAW

26. Respondent Taskey, in connection with the offer, sale, or purchase of IBF CFC notes, omitted to state, among other things, that he was not authorized by his broker-dealer, MONY Securities, to participate in his clients' investments in IBF CFC notes, and that he was in fact selling away from MONY Securities in violation of NASD Rule 3040; and failed to disclose the risks associated with the IBF CFC notes. These omissions constitute a violation of section 11-301 of the Act.

27. Respondent Taskey, in connection with advising clients with respect to their purchase of IBF CFC notes, omitted to state, among other things, that he was not authorized by his broker-dealer, MONY Securities, to participate in his clients' investments in IBF CFC notes, and that he was selling away from MONY Securities in violation of NASD Rule 3040; and failed to disclose the risks associated with the IBF CFC notes. These omissions constitute a violation of sections 11-302(a) and (c) of the Act.

28. Respondent Taskey engaged in unethical practices by failing to exercise due diligence in connection with his recommendation of IBF CFC notes to clients, in violation of section 11-302(a) of the Act and Regulation .03 of COMAR 02.02.05.

29. Respondent Taskey, in his capacity as sole owner and principal of SPG, failed to

timely file correcting amendments to information contained in documents previously filed with the Commissioner, in violation of section 11-411 of the Act.

30. Respondent Taskey, in his capacity as sole owner and principal of SPG, failed to maintain certain records required to be maintained by the regulations promulgated under the Code of Maryland Regulations 02.02.05 *Investment Adviser Regulations*, including supervisory guidelines and a record evidencing an annual offering of SPG's disclosure document, in violation of section 11-411 of the Act.

31. Respondent Taskey willfully violated or willfully failed to comply with sections 11-411, 11-301 and 11-302 of the Act, and grounds exist for the revocation of Respondent Taskey's registration as an agent and as an investment adviser representative under sections 11-412(a)(2) and (7) of the Act.

32. Respondent Taskey engaged in dishonest and unethical practices by participating in private securities transactions in violation of NASD Rule 3040, and grounds exist for the revocation of Taskey's registration as an agent under section 11-412(a)(7) of the Act.

V. SANCTIONS

IT IS HEREBY ORDERED THAT and Respondent expressly consents to the terms of this Order which are as follows:

a. Taskey shall permanently cease and desist from engaging in activities in violation of sections 11-411, 11-301, and 11-302 of the Act.

b. Taskey shall pay a civil penalty pursuant to section 11-701.1 of the Act in the amount of \$37,500 for the violations set forth in this Order. Payment shall be by certified check payable to the Office of the Attorney General. However, this penalty shall be reduced by the amount of restitution made by Taskey to the two clients who invested \$100,000 each in IBF

CFC, as discussed in paragraph 18 of this Order, upon satisfactory proof of payment being received by the Commissioner at the time of this Order. Any payment of restitution to the two investors shall be made on a pro rata basis.

c. For a period of five (5) years from the date of issuance of this Order, Taskey shall be required to forward to the Division within 15 days of receipt copies of any customer complaints, and synopses of any oral complaints, alleging sales practice violations, regardless of the amount of damages involved, and relating to Taskey.

d. For a period of five (5) years from the date of issuance of this Order, any customer complaint involving Taskey that is received by the Division may result in this entire matter being reviewed by the Division. For that same period of time, any sanction of Taskey imposed by another jurisdiction, any self-regulatory organization, any exchange, the Securities and Exchange Commission, or the Commodity Futures Trading Commission, may result in this entire matter being reviewed by the Division.

e. Taskey waives reliance upon section 11-412(b) of the Act.

f. Taskey shall comply fully with the Act and regulations promulgated thereunder in all future activities in Maryland.

VI. CONSEQUENCES OF VIOLATION OF CONSENT ORDER

34. If Respondent fails to comply with any term of this Consent Order, the Commissioner may institute administrative and/or judicial proceedings against Respondent to seek to enforce this Consent Order or to seek to sanction Respondent for violating an Order of the Commissioner, and may take any other action authorized under the Act or under any other applicable law, including the issuance of fines or penalties as provided by the Act. In any such proceeding in which, after an opportunity for a hearing, the Commissioner or the court finds that Respondent has violated this

Consent Order, the Division may also seek other sanctions for the violations that initiated this matter. For the purpose of determining those sanctions, the Findings of Fact and the violations of the Act set forth in this Consent Order shall be deemed admitted by Respondent and may be introduced into evidence against him.

35. In the event judicial intervention in this matter is sought by the Commissioner or Respondent, subject matter jurisdiction will lie in the Circuit Court for Baltimore City or any other court of appropriate jurisdiction in Baltimore City pursuant to Section 11-702 of the Act. The Circuit Court for Baltimore City will have personal jurisdiction over Respondent pursuant to section 6-103(b) of the Courts and Judicial Proceedings Article, Title 6, Annotated Code of Maryland (1998 Repl. Vol. and 2004 Supp.). Venue will be properly in that Court pursuant to section 6-201(a) and 6-202(11) of that article.

VII. MODIFICATION OF TERMS OF THIS CONSENT ORDER

36. No term of this Consent Order may be modified or vacated except by a subsequent order issued by the Commissioner.

VIII. JURISDICTION RETAINED

37. Jurisdiction shall be retained by the Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Consent Order.

SO ORDERED:

, 2005 _____
MELANIE SENTER LUBIN
SECURITIES COMMISSIONER

BY CONSENT:

Todd R. Taskey, individually and in his capacity as
the sole owner and principal of Solutions Planning Group, Inc.

_____, 2005
Date

Subscribed and sworn to before me
this ____ day of _____, 2005.

Notary Public
My Commission expires _____

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