

Disciplinary and Other NASD Actions

REPORTED FOR DECEMBER

NASD® has taken disciplinary actions against the following firms and individuals for violations of NASD rules; federal securities laws, rules and regulations; and the rules of the Municipal Securities Rulemaking Board (MSRB). The information relating to matters contained in this Notice is current as of the end of November 2006.

Firms Fined, Individuals Sanctioned

Hattier Sanford & Reynoir, a Limited Partnership L.L.P. (CRD #2148, Memphis, Tennessee) and Vance Greenslit Reynoir (CRD #1060803, Registered Principal, New Orleans, Louisiana) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$12,500, and Reynoir was fined \$7,500 and suspended from association with any NASD member in any principal capacity for one year. Without admitting or denying the findings, the firm and Reynoir consented to the described sanctions and to the entry of findings that Reynoir failed to take appropriate action to supervise an individual to prevent violations of, and achieve compliance with, applicable securities laws, regulations and NASD rules; that the firm's written supervisory procedures failed to contain procedures for the detection of manipulative wash sales and matched trading and that the firm did not timely comply with NASD Rule 3011 to adopt a written anti-money laundering (AML) compliance program designed to achieve and monitor ongoing compliance with the requirements of the Bank Secrecy Act and the regulations promulgated thereunder.

The suspension in any principal capacity is in effect from November 6, 2006, through November 5, 2007. **(NASD Case #EAF0400190002)**

J.P. Turner & Company, L.L.C. (CRD #43177, Atlanta, Georgia) and S. Cheryl Bauman (CRD #2207311, Registered Principal, Atlanta, Georgia) submitted a Letter of Acceptance, Waiver and Consent in which the firm was fined \$211,372, \$86,372 of which represents disgorgement of commissions and fees received and \$40,000 of which was jointly and severally with Bauman. The firm is prohibited from offering hedge fund interests or opening new hedge fund accounts for six months, and is thereafter suspended from offering hedge fund interests and opening new hedge fund accounts until the firm submits revised written supervisory procedures with NASD that satisfactorily address the supervision of hedge fund offerings as well as the trading in hedge fund accounts. The firm is also subject to a six-month pre-use filing requirement with NASD for all customer advertisements and sales literature relating to hedge

funds, beginning with the first use of such sales communications following the suspension from offering hedge fund interests and opening new hedge fund accounts. Bauman was also suspended from association with any NASD member in any principal capacity for three months.

Without admitting or denying the findings, the firm and Bauman consented to the described sanctions and to the entry of findings that the firm, acting through Bauman, failed to establish and maintain a supervisory system reasonably designed to ensure compliance with applicable laws, rules and regulations relating to the trading activity in a hedge fund account, and failed to reasonably supervise the offering of the fund's interest and the trading activity in the fund account to prevent violations. The findings stated that, in connection with the hedge fund offering, the firm made improper use of a public customer's funds by permitting the deposit of customer subscription funds into the hedge fund account and permitting the funds to be used to meet margin calls without prior approval of the subscription by the firm's compliance department and by failing to return the deposit to the customer in a timely manner after the firm rejected his subscription. The findings also stated that the firm, acting through Bauman, approved and permitted the use of a brochure for the fund that contained statements and claims for which it failed to provide a sound basis and failed to disclose the inherent risks associated with the absence of an operating history for both the partnership and the general partner; exaggerated the experience and services the registered representatives operating the fund offered and made false statements regarding the fund's investment strategy. The findings also stated that the firm failed to establish a proper escrow account for a private offering and the firm, acting through Bauman, failed to establish and maintain a supervisory system reasonably designed to ensure compliance with applicable laws, rules and regulations in connection with a private offering. NASD also found that the firm paid securities commissions that totaled \$2,226,130.90 to non-member entities or persons.

The suspension in a principal capacity is in effect from November 6, 2006, through February 5, 2007. (NASD Case #E072003011201)

The Oak Ridge Financial Services Group, Inc. (CRD #42941, Golden Valley, Minnesota) and Laurence Stuart Zipkin (CRD #1535080, Registered Principal, Minnetonka, Minnesota) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$50,000. Zipkin was fined \$20,000 and suspended from association with any NASD member in any principal capacity for four months. Without admitting or denying the findings, the firm and Zipkin consented to the described sanctions and to the entry of findings that, in connection with private placement contingency offerings, the firm, acting through Zipkin, opened bank accounts to receive public customer funds for the offerings when there were no escrow agreements signed by the firm or the issuer. The findings stated that a separate account for one of the offerings was established, but funds continued to be deposited in the first account and were not promptly sent to the second account, which led to net capital problems. The findings also stated that the firm had possession and control of customer funds on contingency "best effort" offerings, yet did not conduct an NASD Rule 15c3-3 reserve account computation and segregate funds in a designated account. The findings also stated that the firm, acting through Zipkin, participated in a "best efforts" offering and, despite reaching the offering maximum, continued to offer shares of the common stock and did not give notice to the original investors that the offering maximum had changed, did not give the original investors the opportunity to reaffirm or rescind their purchases and did not notify customers that the offering period had been extended. NASD found that for the second offering, the firm sent written requests to customers requesting that the offering period be extended but did not terminate the offering even after the original maximum had been raised to offer shares, did not give notice to the original investors that the offering maximum had changed, and did not give them the opportunity to reaffirm or rescind their purchases.

The suspension in any principal capacity is in effect from November 6, 2006, through March 5, 2007. (NASD Case #E0420050103-02/#E0420050103-03)

Westpark Capital, Inc. (CRD #39914, Los Angeles, California) and Richard Alyn Rappaport (CRD #1885122, Registered Principal, Los Angeles, California) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined

\$10,000. Rappaport was fined \$10,000 and suspended from association with any NASD member in any capacity for 30 days. Without admitting or denying the findings, the firm and Rappaport consented to the described sanctions and to the entry of findings that Rappaport failed to comply with a suspension NASD imposed, and continued to be actively involved in the management of his member firm's investment banking and securities business during the suspension period. The findings stated that the firm failed to establish, maintain and enforce a supervisory system or written procedures reasonably designed to ensure that Rappaport did not act in a principal capacity during the suspension period.

The suspension in any capacity was in effect from November 6, 2006, through December 5, 2006. (NASD Case #E022004062801)

Firm and Individual Fined

Surety Financial Services Inc., (CRD #18344, Wantagh, New York) and John Thomas Renck (CRD #1171278, Registered Principal, Seaford, New York) submitted a Letter of Acceptance, Waiver and Consent in which they were censured and fined \$15,000, jointly and severally. Without admitting or denying the findings, the firm and Renck consented to the described sanctions and to the entry of findings that the firm, acting through Renck, conducted a securities business while failing to maintain the minimum net capital requirement. (NASD Case #2005000841501)

Firms Fined

Banc One Securities Corporation (CRD #16999, Chicago, Illinois) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$142,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to timely file Uniform Termination Notices for Securities Industry Registration (Forms U5) with NASD for numerous individuals. (NASD Case #E8A2005001601)

Friedman, Billings, Ramsey & Co. Inc., (CRD #25027, Arlington, Virginia) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$15,000. Without admitting or denying the

findings, the firm consented to the described sanctions and to the entry of findings that it failed in certain respects to enforce its written supervisory procedures relating to securities transactions by its research analysts and other associated persons that required the firm's compliance department to obtain duplicate confirmations and statements for all securities accounts maintained by those associated persons at other firms. The findings also stated that, as a result of its failure to enforce those provisions with respect to the research analyst, the firm failed to detect and prevent the research analyst's violations of NASD rules. (NASD Case #E9A2005004702)

FTN Financial Securities Corp. (CRD #46346, Memphis, Tennessee) submitted a Letter of Acceptance, Waiver and Consent in which it was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to comply with SEC Rule 15c3-3, in that it failed to deposit amounts required to satisfy its reserve requirement. (NASD Case #2005001713201)

Hampton Securities (USA), Inc. (CRD #46816, Toronto, Ontario, Canada) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured, fined \$25,000, and required to review its system and procedures regarding the preservation of electronic mail communications for compliance with federal securities laws, regulations and NASD rules. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that the firm did not maintain and preserve electronic communications as SEC Exchange Act Rule 17a-4 requires, in that it utilized an electronic back-up system to capture and retain email communications but recycled the back-up tapes each week, overwriting them with new data. (NASD Case #2006003899801)

Harris Williams LLC, nka Harris Williams & Co. (CRD #113930, Richmond, Virginia) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured, fined \$50,000 and required to review its procedures regarding the preservation of electronic mail communications for compliance with federal securities laws, regulations and NASD rules. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that its supervisory system and written

procedures were not reasonably designed to ensure compliance with email retention requirements because they did not provide for adequate follow-up and review to ensure that hard copies of email communications were being retained. The findings stated that the firm did not maintain and preserve all email communications as SEC Exchange Act Rule 17a-4 requires. **(NASD Case #2006003783701)**

Hornor, Townsend & Kent, Inc. (CRD #4031, Horsham, Pennsylvania) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$125,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that the firm failed to establish and maintain a system to supervise the activities of each registered representative and associated person reasonably designed to achieve compliance with applicable securities laws, regulations and NASD rules related to the sale of group variable annuity contracts. The findings stated that the firm failed to establish and maintain written supervisory procedures related to the sale of group variable annuity contracts, and failed to properly record group variable annuity contract transactions on its books and records. **(NASD Case #E8A2004070901)**

Invest Financial Corporation (CRD #12984, Tampa, Florida) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to timely report municipal trades to the MSRB, failed to accurately report customer trade prices in customer municipal trades and failed to accurately report the capacity in which the firm conducted the transaction in some of the municipal trades. The findings stated that the firm, in connection with municipal securities transactions, sent customers written confirmations that incorrectly indicated that the firm acted as an agent for transactions when the firm acted as a principal. **(NASD Case #E0720050201-01)**

Libertas Partners, LLC (CRD #124790, Greenwich, Connecticut) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that the firm permitted individuals to perform duties that require registration while their

NASD registrations were inactive due to their failure to complete the Regulatory Element of the Continuing Education Program. **(NASD Case #E112005021201)**

Track Data Securities Corporation (CRD #103802, Brooklyn, New York) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$12,500. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that while engaging in option trading, the firm failed to assign and identify to NASD its senior registered option principal and its compliance registered options principal, each of whom is required to be a registered option principal. The findings also stated that the firm failed to maintain a separate file or log for complaints received involving options securities, and failed to promptly report statistical and summary information regarding customer complaints to NASD. The findings also stated that the firm published newspaper advertisements and did not retain evidence of principal approval. **(NASD Case #ELI2005004702)**

Individuals Barred or Suspended

Aida Bakamovic (CRD #4873334, Registered Representative, Scottsdale, Arizona) submitted a Letter of Acceptance, Waiver and Consent in which she was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Bakamovic consented to the described sanction and to the entry of findings that she signed public customers' names in order to open bank accounts without the customers' knowledge or consent. **(NASD Case #2005003411101)**

Francis John Bello Jr. (CRD #1089387, Registered Representative, Worcester, Massachusetts) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any NASD member in any capacity for 60 days. The fine must be paid before Bello reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Bello consented to the described sanctions and to the entry of findings that he submitted a Special Accommodation Request Form to NASD seeking an additional 60 minutes to complete the Regulatory Element of NASD's Continuing Education Requirements that required the signature of his member

firm's compliance officer, but he signed the form himself without the compliance officer's knowledge, authorization or consent.

The suspension in any capacity is in effect from November 6, 2006, through January 4, 2007.
(NASD Case #2006005426501)

Kristin M. Brown (CRD #5057244, Associated Person, Midlothian, Virginia) submitted a Letter of Acceptance, Waiver and Consent in which she was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Brown consented to the described sanction and to the entry of findings that she drew a \$500 check on a company's business bank account to her own name, forged the account owner's signature and deposited the check to her own bank account without the owner's knowledge or consent. (NASD Case #2006005464501)

Daniel Alan Buchalter (CRD #1891292, Registered Principal, Phoenix, Arizona) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$7,500 and suspended from association with any NASD member in any capacity for 60 days. The fine must be paid before Buchalter reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Buchalter consented to the described sanctions and to the entry of findings that he borrowed \$15,000 from a public customer and failed to obtain his member firm's written permission prior to borrowing the customer's money. The findings also stated that Buchalter failed to disclose the loan when completing an annual compliance questionnaire that asked, among other things, whether he had ever accepted a loan from a customer.

The suspension in any capacity is in effect from November 20, 2006, through January 18, 2007.
(NASD Case #2006004288601)

Fausto Efrain Callava (CRD #4139260, Registered Representative, Miami, Florida) was barred from association with any NASD member in any capacity. The sanction was based on the findings that Callava participated in the sale of an unregistered security to a public customer in contravention of Section 5 of the Securities Act of 1933, because no registration statement had been filed for the security and there was no exemption from registration. The findings stated

that Callava, in an effort to cover up the sale of the unregistered security, falsified documents and deliberately deceived his member firm. (NASD Case #E072004088501)

Jeremy Michael Chapman (CRD #4984194, Associated Person, Morrilton, Arkansas) was barred from association with any NASD member in any capacity. The sanction was based on findings that Chapman failed to respond to NASD requests for information and willfully failed to disclose material information on his Uniform Application for Securities Industry Registration and Transfer (Form U4). (NASD Case #2005002166501)

Qi Chen (CRD #2233415, Registered Representative, Vernon Hills, Illinois) was barred from association with any NASD member in any capacity. The sanction was based on findings that Chen sent to a public customer a false account statement on a defunct company's letterhead purporting to show investments in certificates of deposit (CDs) and a viatical settlement worth a total of \$314,501, and failed to respond to an NASD request to appear for an on-the-record interview. (NASD Case #E8A2004107002)

John Stuart Coffey (CRD #1342181, Registered Principal, Washington, Pennsylvania) submitted a Letter of Acceptance, Waiver and consent in which he was fined \$10,000 and suspended from association with any NASD member in any capacity for three months. The fine must be paid before Coffey reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Coffey consented to the described sanctions and to the entry of findings that, acting on his member firm's behalf, he failed to obtain the required written consent in connection with Central Registration Depository® (Web CRD®) searches of individuals. The findings stated that these individuals were not seeking employment with the firm, nor was the firm considering any of them for employment, but the searches were conducted to identify the member firms which employed registered representatives whose names had appeared in a commercial publication listing high-producing individuals and thereby determine if Coffey's firm already had selling agreements with the firms. The findings also stated that Coffey failed to cause his member firm to have a supervisory system

and procedures reasonably designed to ensure that the firm obtained the required written consent before conducting searches on Web CRD and that it retained required documentation.

The suspension in any capacity is in effect from November 6, 2006, through February 5, 2007. (NASD Case #E9A2005000602)

Derek Lamont Colbert (CRD #2406931, Registered Representative, Upper Marlboro, Maryland) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Colbert consented to the described sanction and to the entry of findings that he created customer retirement account applications falsely reflecting that the customers wanted to increase their biweekly contribution amounts and submitted the applications to his member firm, and that his conduct resulted in the improper receipt of \$1,960 in commissions. (NASD Case #2005003384102)

Brian Ellsworth Crosby II (CRD #3067628, Registered Representative, Milan, Ohio) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Crosby consented to the described sanction and to the entry of findings that he executed transactions in public customers' accounts without their knowledge or consent, and without written or oral authorization to exercise discretion in their accounts. (NASD Case #2005000279301)

Derek Jamal Deane (CRD #2551532, Registered Representative, Hyattsville, Maryland) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Deane consented to the described sanction and to the entry of findings that he created falsified customer retirement accounts and submitted them to his member firm, and that his conduct resulted in the improper receipt of \$1,600 in commissions. (NASD Case #2005003384101)

Daniel Diaz (CRD #4169098, Registered Representative, Phoenix, Arizona) was barred from association with any NASD member in any capacity. The sanction was based on findings that Diaz submitted

fictitious account applications to his member firm and received \$1,700 in commissions based on those fraudulent applications and failed to respond to NASD requests for information. (NASD Case #2005002377201)

Richard Albert Hellmann (CRD #1140122, Registered Representative, High Ridge, Missouri) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any NASD member in any capacity for 30 business days. The fine must be paid before Hellmann reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Hellmann consented to the described sanctions and to the entry of findings that he engaged in outside business activities for compensation and failed to provide his member firm with prompt written notice.

The suspension in any capacity is in effect from November 6, 2006, through December 18, 2006. (NASD Case #20050016607-01)

Adam Chamroeurn Heng (2831137, Registered Representative, Brooklyn, New York) was barred from association with any NASD member in any capacity. The sanction was based on findings that Heng executed unauthorized transactions, used margin without authorization, failed to follow instructions in public customers' accounts and failed to respond to an NASD request for an on-the-record interview. (NASD Case #E072004051101)

Tyjuan Deleon Jackson (CRD #4224623, Registered Representative, Inkster, Michigan) was barred from association with any NASD member in any capacity. The sanction was based on findings that Jackson failed to disclose material information on his Form U4 and failed to respond to NASD requests for documents and information. (NASD Case #2005003480801)

Anthony John Johnson (CRD #2511827, Registered Representative, Garrison, New York) was barred from association with any NASD member in any capacity. The sanction was based on findings that Johnson engaged in fraudulent sales practices, failed to comply with SEC penny stock disclosure rules, and provided false and misleading testimony during an NASD on-the-record interview. (NASD Case #CMS20040165)

Edward Hinton Johnson (CRD #1446749, Registered Principal, Lumberton, North Carolina) was barred from association with any NASD member in any capacity. The sanction was based on findings that Johnson engaged in private securities transactions for compensation without providing prior written notice to, or receiving approval from, his member firm. Without admitting or denying the allegations, Johnson consented to the described sanctions and to the entry of findings that he failed to supervise a registered representative who engaged in private securities transactions. **(NASD Case #E3B20040206-01)**

Elton Johnson, Jr. (CRD #844428, Registered Principal, Moreno Valley, California) submitted an Offer of Settlement in which he was suspended from association with any NASD member in any supervisory capacity and in a financial and operations principal (FINOP) capacity for 18 months, and must requalify by exam as a general securities principal and FINOP prior to reassociation with any NASD member following the suspension. Johnson is also required to ensure that his member firm employs a second general securities principal and a FINOP until his suspensions have concluded and he has requalified as a principal and FINOP. Without admitting or denying the allegations, Johnson consented to the described sanctions and to the entry of findings that he failed to supervise a registered representative's private securities transactions activities in the manner NASD Rule 3040 requires.

The suspensions in any supervisory and FINOP capacities are effective from December 4, 2006, through June 3, 2008. **(NASD Case #C3A20030008)**

William George Kelly, Jr. (CRD #1773462, Registered Representative, Fort Lauderdale, Florida) submitted an Offer of Settlement in which he was barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Kelly consented to the described sanction and to the entry of findings that he borrowed \$25,000 from a public customer in contravention of his member firm's written supervisory procedures stating that employees were not allowed to borrow money from, or lend money to, firm customers. The findings stated that Kelly falsely represented to his firm in a signed compliance questionnaire that he had not borrowed money from any firm customer. The findings also stated that Kelly delivered a personal check to the customer as

repayment of the loan but the check was returned to the customer for insufficient funds due to a closed account—Kelly has never made any payment on the loan. The findings also included that Kelly failed to respond to NASD requests for information. **(NASD Case #2005002049901)**

Sandeep David Kitson (CRD #2508526, Registered Principal, New York, New York) and Gurpreet Singh Sabharwal (CRD #3206745, Registered Principal, Linden Hill, New York) submitted an Offer of Settlement in which Kitson was barred from association with any NASD member in any capacity, and Sabharwal was fined \$10,000 and suspended from association with any NASD member in any capacity for six months. The fine must be paid before Sabharwal reassociates with any NASD member following the suspension, or before requesting relief from any statutory disqualification. Without admitting or denying the allegations, Kitson and Sabharwal consented to the described sanctions and to the entry of findings that they participated in private securities transactions without providing prior written notice to, or obtaining approval from, their member firm. The findings also stated that Kitson and Sabharwal willfully failed to disclose material information on their Forms U4.

Sabharwal's suspension in any capacity is in effect from November 20, 2006, through May 19, 2007. **(NASD Case #E102003128802)**

Joseph Latour (CRD #2070716, Registered Representative, Cumming, Georgia) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any NASD member in any capacity for 10 business days. Without admitting or denying the findings, Latour consented to the described sanctions and to the entry of findings that, in an effort to cause an annuity to be liquidated for a public customer and the proceeds sent to the customer so that the funds could be reinvested, Latour called the company that had issued the annuity, falsely identified himself as the representative of record and asked that the annuity be liquidated and the proceeds remitted to the customer.

The suspension in any capacity was in effect from November 6, 2006, through November 17, 2006. **(NASD Case #2005002247101)**

Thomas Arnold Letzler (CRD #2209007, Registered Representative, Stow, Ohio) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Letzler consented to the described sanction and to the entry of findings that he received \$40,000 from a public customer for investment purposes and failed to make the investment or return the funds, thereby improperly using customer funds. The findings also stated that Letzler failed to respond to NASD requests for information. **(NASD Case #2006004510601)**

William Harold Lofthus Sr. (CRD #1098734, Registered Representative, Plainfield, Illinois) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Lofthus consented to the described sanction and to the entry of findings that he accepted checks totaling \$105,000 for investment purposes but failed to make the investments or return the funds to the customers, thereby misusing customer funds. **(NASD Case #2006004563201)**

Dominique Demetri Logan (CRD #4648601, Associated Person, North Las Vegas, Nevada) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Logan consented to the described sanction and to the entry of findings that, while taking the Series 7 licensing examination, he retained in his possession and had access to notes related to the subject matter of the licensing examination even though he knew this was prohibited. **(NASD Case #20060052481-01)**

David Mario Lombardo (CRD #2773342, Registered Representative, Ramsey, New Jersey) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Lombardo consented to the described sanction and to the entry of findings that he purchased securities for a public customer without the customer's consent or authority. The findings stated that Lombardo appeared for an NASD on-the-record interview and provided false and misleading testimony regarding the circumstances surrounding the purchase. **(NASD Case #2005002372001)**

Dan K. Ly (CRD #5054402, Associated Person, West Valley, Utah) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any NASD member in any capacity for 45 days. The fine must be paid before Ly reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Ly consented to the described sanctions and to the entry of findings that he misrepresented a material fact on his Form U4.

The suspension in any capacity is in effect from November 20, 2006, through January 3, 2007. **(NASD Case #2005003477201)**

Sekou Mansur McClendon (CRD #2960072, Registered Representative, Jersey City, New Jersey) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$2,500 and suspended from association with any NASD member in any capacity for 10 business days. Without admitting or denying the findings, McClendon consented to the described sanctions and to the entry of findings that he exercised discretionary authority in a deceased public customer's account without the customer's written authorization to exercise discretionary authority in his account, and without having obtained his member firm's written acceptance to exercise discretionary authority in the account.

The suspension in any capacity was in effect from November 6, 2006, through November 17, 2006. **(NASD Case #2005003508701)**

James Andrew Moon (CRD #5022710, Associated Person, Jacksonville, North Carolina) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any NASD member in any capacity for three months. The fine must be paid before Moon reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Moon consented to the described sanctions and to the entry of findings that he failed to disclose material information on his Form U4.

The suspension in any capacity is in effect from November 20, 2006, through February 19, 2007. **(NASD Case #2005002671801)**

Richard James Morgan (CRD #3056196, Registered Representative, Missouri City, Texas) was barred from association with any NASD member in any capacity. The sanction was based on findings that Morgan exercised discretion in public customers' accounts without obtaining their written discretionary authority and without his member firm's acceptance of the accounts as discretionary. The findings stated that Morgan engaged in excessive trading in the public customers' accounts. **(NASD Case #E062004026501)**

Samuel Gasper Morocco (CRD #852196, Registered Principal, North Lima, Ohio) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000, suspended from association with any NASD member in any capacity for nine months and ordered to pay \$30,000 in disgorgement. Without admitting or denying the findings, Morocco consented to the described sanctions and to the entry of findings that he participated in private securities transactions, for compensation, without providing prior notification to, or receiving prior approval from, his member firm.

The suspension in any capacity is in effect from December 4, 2006, through September 3, 2007. **(NASD Case #2005001452001)**

James Clayton Mulholland Jr. (CRD #729636, Registered Representative, Haslett, Michigan) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$10,000 and suspended from association with any NASD member in any capacity for 90 days. The fine must be paid before Mulholland reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Mulholland consented to the described sanctions and to the entry of findings that he engaged in an outside business activity without providing his member firm with prompt written notice.

The suspension in any capacity is in effect from November 20, 2006, through February 17, 2007. **(NASD Case #20050020324-01)**

Jae Young Oh (CRD #4576773, Registered Representative, Los Angeles, California) was barred from association with any NASD member in any capacity. The sanction was based on findings that Oh, in response to a public customer's request for a current account statement, altered an old account statement

misrepresenting that it was the current account statement. The findings stated that Oh failed to respond to NASD requests for information. **(NASD Case #20050009134-01)**

Michael Francis O'Neill (CRD #352958, Registered Representative, Asbury Park, New Jersey) was barred from association with any NASD member in any capacity. The sanction was based on findings that O'Neill conducted his securities business jointly with an unregistered person who had been barred from associating with a member firm in any capacity for serious misconduct, and O'Neill knowingly violated NASD's registration requirements by compensating the individual for soliciting customers. **(NASD Case #E102003130804)**

Kurt Louis Rhode (CRD #1858847, Registered Representative, Battle Creek, Michigan) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any NASD member in any capacity for 60 days. The fine must be paid before Rhode reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Rhode consented to the described sanctions and to the entry of findings that he received a \$30,000 loan from individuals, including a client, even though his member firm had written procedures forbidding registered representatives from borrowing money from customers.

The suspension in any capacity is in effect from November 6, 2006, through January 4, 2007. **(NASD Case #2006004154401)**

Christopher John Rocco Santanelli (CRD #4392280, Registered Representative, Massapequa, New York) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Santanelli consented to the described sanction and to the entry of findings that he failed to complete an NASD on-the-record interview and failed to respond to NASD requests for information. The findings also stated that Santanelli failed to amend his Form U4 to disclose material facts, and engaged in a pattern of trading activity in public customers' accounts that was excessive in light of the customers' objectives, financial situations and needs. **(NASD Case #ELI2004036401)**

Ronald Shuichi Sasaki (CRD #1628925, Registered Representative, Nevada City, California) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$10,000 and suspended from association with any NASD member in any capacity for one year. The fine must be paid before Sasaki reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Sasaki consented to the described sanctions and to the entry of findings that he borrowed \$74,818 from a trust for which he acted as a trustee in contravention of his member firm's written policy prohibiting its employees from borrowing money from firm customers. The findings stated that Sasaki engaged in business activities outside the scope of his member firm and failed to provide his firm with prompt written notice.

The suspension in any capacity is effective from November 20, 2006, through November 19, 2007. **(NASD Case #20050002599-01)**

Kenneth Donald Schacht (CRD #3142740, Registered Representative, Racine, Wisconsin) was fined \$5,000, suspended from association with any NASD member in any capacity for 18 months and required to requalify in all capacities. The fine is due and payable when Schacht returns to the industry after the end of his suspension. The sanctions were based on findings that Schacht falsified a letter of indemnity and forged the signature of his member firm's chief operating officer on the letter.

The suspension in any capacity is in effect from November 20, 2006, through May 19, 2008. **(NASD Case #2005003490801)**

Mary Frances Spears (CRD #4297575, Registered Representative, Nampa, Idaho) was barred from association with any NASD member in any capacity. The sanction was based on findings that Spears participated in private securities transactions without providing her member firm with prior written notification. The findings stated that Spears recommended securities transactions to public customers without having reasonable basis for believing the investment was suitable based on the customers' financial situations and needs. The findings also stated that Spears engaged in an outside business activity for compensation and failed to provide her member firm with prompt written notice. **(NASD Case #E3B20040231-02)**

Chad Marion David Stephenson (CRD #3085358, Registered Representative, Roseville, California) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$10,000 and suspended from association with any NASD member in any capacity for one year. The fine must be paid before Stephenson reassociates with any NASD member following the suspension, or before he requests relief from any statutory disqualification. Without admitting or denying the findings, Stephenson consented to the described sanctions and to the entry of findings that he willfully failed to disclose material information on his Form U4.

The suspension in any capacity is in effect from November 20, 2006, through November 19, 2007. **(NASD Case #20050022243-01)**

Patricia Louise Strandberg (CRD #2010553, Registered Representative, San Antonio, Texas) was barred from association with any NASD member in any capacity. The sanction was based on findings that Strandberg failed to respond to NASD requests for information. **(NASD Case #2005001735001)**

Michael Steven Thannert (CRD #4452543, Registered Representative, Richfield, Minnesota) submitted an Offer of Settlement in which he was barred from association with any NASD member in any capacity. Without admitting or denying the allegations, Thannert consented to the described sanction and to the entry of findings that he received \$3,591.36 from public customers to pay for their insurance policies but failed to do so. The findings stated that Thannert failed to respond to NASD requests for information. **(NASD Case #20050033391-01)**

Charles Roland Triana Jr. (CRD #1863426, Registered Principal, Frankfort, Illinois) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any NASD member in any capacity for 60 days. Without admitting or denying the findings, Triana consented to the described sanctions and to the entry of findings that he affixed a public customer's signature and the signature of a former associated person to insurance forms with their knowledge and consent but in violation of his member firm's written supervisory procedures that prohibited representatives from signing another person's name whether or not such person consented.

The suspension in any capacity is in effect from November 6, 2006, through January 4, 2007. (NASD Case #2005002343501)

Andrew Jerome Whelan (CRD #1491284, Registered Principal, Quincy, Massachusetts) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000, barred from association with any NASD member in any principal capacity and suspended from association with any NASD member in any capacity for 30 days. Without admitting or denying the findings, Whelan consented to the described sanctions and to the entry of findings that he signed and submitted audit reports to his member firm representing that he had conducted inspections of branch offices, although he had not.

The suspension in any capacity is in effect from December 4, 2006, through January 2, 2007. (NASD Case #2005003189401)

David Phillip Zipkin (CRD #2377301, Registered Representative, Plymouth, Minnesota) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Zipkin consented to the described sanction and to the entry of findings that he failed to amend his Form U4 to disclose material information. The findings stated that Zipkin failed to appear for an NASD on-the-record interview. (NASD Case #20050022099-01)

Robert Louis Zins (CRD #2436090, Registered Representative, Cincinnati, Ohio) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any NASD member in any capacity. Without admitting or denying the findings, Zins consented to the described sanction and to the entry of findings that he converted \$3,750 from the bank account of public customers by ordering checks from their account without their knowledge or consent, forged the customers' signatures on checks, deposited the checks into a bank account under his control, withdrew cash from the account and deposited the cash into his personal bank account for his personal benefit and not for the benefit of the customers. The findings stated that Zins forged the endorsement of another individual on the back of the checks and deposited them into a bank account opened in the individual's name without his knowledge or consent. (NASD Case #2005003107701)

Individual Fined

Chad Eugene Miller (CRD #3167130, Registered Principal, Fruit Heights, Utah) submitted a Letter of Acceptance, Waiver and Consent in which he was censured and fined \$16,000. Without admitting or denying the findings, Miller consented to the described sanctions and to the entry of findings that he allowed public customers to trade online through an expelled firm's Web site, but never altered the Web site to reflect a change of ownership, and as a result, the Web site contained numerous statements that misleadingly portrayed the expelled firm as an active NASD member and broker-dealer. The findings stated that the Web site did not provide sufficient information to determine the relationships that existed among the expelled firm, Miller's member firm and its clearing firm. The findings also stated that the Web site did not contain the appropriate Securities Investor Protection Corporation (SIPC) disclosures. (NASD Case #20050005531-01)

Decisions Issued

The Office of Hearing Officers (OHO) issued the following decisions, which have been appealed to or called for review by the NAC as of November 3, 2006. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decisions. Initial decisions whose time for appeal has not yet expired will be reported in the next *Notice to Members*.

Bryan L. Claggett (CRD #820866, Registered Principal, Benton, Arkansas) was barred from association with any NASD member in any capacity. The sanction was based on findings that Claggett forged a deceased customer's signature on account transfer forms and created a document purporting to be a 1099 Tax Form in order to mislead another customer as to the positions and balances in her account. The Hearing Panel also found that Claggett exercised discretionary authority over a customer account at his prior member firm without disclosing it to his new member firm. The Hearing Panel declined to impose any sanctions for that violation, however, in light of the bar it imposed for the forgery and falsification of record violations. (NASD Case #2005000631501)

This decision has been appealed to the NAC, and the sanction is not in effect pending consideration of the appeal.

Andrew Joseph Hardin (CRD #4534287, Registered Representative, Greenville, South Carolina) was censured and fined \$10,000. The sanctions were based on findings that Hardin, pursuant to verbal authority, exercised discretion in a public customer's account without the customer's written authorization and his member firm's written acceptance of the account as discretionary. The findings stated that Hardin knowingly and intentionally purchased and parked CDs in a customer's account with the intent to resell them to other customers, and later requested that the original purchases be corrected and reassigned to other customers to whom he had sold the respective CD, therefore misrepresenting to his member firm that the original purchase was mistakenly put in the customer's account.

This decision has been called for review by the NAC, and the sanctions are not in effect pending consideration of the review. (NASD Case #E072004072501)

Ara Proudian (CRD #2488729, Registered Principal, New Rochelle, New York) was fined \$5,000, suspended from association with any NASD member in any capacity for 90 business days and required to requalify in all capacities. The sanctions are based on findings that Proudian aided and abetted market manipulation in violation of Section 10(b) of the Exchange Act, SEC Rule 10b-5 thereunder and NASD Rule 2120. The findings stated that Proudian processed orders in spite of red flags, thereby aiding and abetting the manipulation.

This decision has been called for review by the NAC, and the sanctions are not in effect pending consideration of the review. (NASD Case #CMS040165)

Wanda Pittman Sears (CRD #2214419, Registered Representative, Roanoke, Virginia) was barred from association with any NASD member in any capacity. The sanction was based on findings that Sears effected unauthorized transactions in public customers' accounts. The decision also found that Sears engaged in an outside business activity without giving prompt written notice to her member firm.

This decision has been appealed to the NAC, and the sanction is not in effect pending consideration of the appeal. (NASD Case #C0720050042)

Complaints Filed

NASD issued the following complaints. Issuance of a disciplinary complaint represents NASD's initiation of a formal proceeding in which findings as to the allegations in the complaint have not been made, and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding the allegations in the complaint.

Carl Thomas Cirillo (CRD #1321207, Registered Representative, Huntington, New York) was named as a respondent in an NASD complaint alleging that, in connection with the purchase or sale of securities, and by the use of means or instrumentalities of interstate commerce, or by the mails, he directly or indirectly, knowingly or recklessly, employed devices, schemes or artifices to defraud; made untrue statements of material fact or omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in acts, practices or courses of business that operated or would operate as a fraud or deceit upon any person. The complaint alleges that Cirillo made an improper guarantee against loss and used fraudulent and deceptive price predictions, misrepresentations and omissions in connection with his recommendations and sale of securities to public customers. (NASD Case #20050000286-03)

Jamin Marlowe Epstein (CRD #1897974, Registered Representative, Wexford, Pennsylvania) was named as a respondent in an NASD complaint alleging that he caused checks totaling \$130,955.70 to be issued from public customer variable annuity policies in the name of Epstein's relative and deposited the checks into an account he jointly owned with the relative. The complaint alleges that Epstein falsely represented that the owners of the policies were related to his relative and provided false documentation to his member firm affirming the false relationships. The complaint also alleges that Epstein failed to respond to NASD requests to provide testimony. (NASD Case #2005003508101)

Paul Douglas Paratore (CRD #2054004, Registered Representative, Webster, New York) was named as a respondent in an NASD complaint alleging that he did not use a public customer's premiums that were intended to pay for the customer's insurance policies, but instead diverted all or portions of the funds to pay other customers' premiums and charges for insurance policies and annuities. The complaint alleges that Paratore converted approximately \$3,804.24 of the customer's insurance premiums without the customer's knowledge, authorization or consent. The complaint also alleges that Paratore settled customer complaints by paying the premiums and charges on their insurance policies and annuities with the converted funds without his member firm's knowledge or approval. (NASD Case #2005002570601)

James Anthony Parrelly (CRD #728368, Registered Principal, Dearborn, Michigan) was named as a respondent in an NASD complaint alleging that he recommended and effected transactions in Class B shares of mutual funds for a public customer without having reasonable grounds for believing that the resultant transactions were suitable for the customer on the basis of her financial situation, investment objective and needs. (NASD Case #E8A2003033801)

Firms Expelled for Failure to Supply Financial Information

America First Associates Corp.
Stewart Manor, New York
(November 29, 2006)

Oxford Capital Securities
New York, New York
(November 16, 2006)

Firm Suspended Pursuant to NASD Rule 9553 for Failure to Pay Annual Assessment Fees

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

Amerifinancial
Boca Raton, Florida
(November 20, 2006)

Laconia Capital Corporation
New York, New York
(November 3, 2006)

Individuals Barred Pursuant to NASD Rule 9552(h)

Jerry Chu
Menlo Park, California
(November 8, 2006)

Michael Benjamin Evans
Roosevelt, New York
(November 20, 2006)

Sean Matthew McCarthy
Boston, Massachusetts
(November 14, 2006)

Steven H. Rubin
Brookline, Massachusetts
(November 14, 2006)

Robert Craig Rudder
Warren, Michigan
(November 20, 2006)

Individuals Suspended Pursuant to NASD Rule 9552(d)

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

Ignacio Santiago Altuve
Carolina, Puerto Rico
(November 27, 2006)

Courtney Wayne Davis
Huntsville, Texas
(November 29, 2006)

Charles Stephen Farrell III
Charlotte, North Carolina
(November 29, 2006)

Jordon Ernest Goodrich
Las Vegas, Nevada
(November 27, 2006)

Dante Foree Gray
Indianapolis, Indiana
(November 21, 2006)

David Lobato
Pueblo West, Colorado
(November 20, 2006)

Janis Ann Logay
Rochester Hills, Michigan
(November 20, 2006)

Brian Lee McKnight
Westchester, Ohio
(November 29, 2006)

Individuals Suspended Pursuant to NASD Rule Series 9554 for Failure to Comply with an Arbitration Award or Settlement Agreement

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

Jason Albertson Bishara
Massapequa Park, New York
(November 30, 2006)

Nevil Lloyd Denton
Lake Mary, Florida
(November 30, 2006)

Steven William Hanna
Bend, Oregon
(November 1, 2006)

Francis Hartley-Edwards
San Francisco, California
(November 1, 2006)

Stanislav Kaminsky
Brooklyn, New York
(November 1, 2006)

John Charles Kawas Jr.
East Northport, New York
(November 27, 2006)

Franklyn Ross Michelin
Boca Raton, Florida
(November 27, 2006)

Daniel Dwaine Oberst
Henderson, Nevada
(November 28, 2006)

David Wayne Parsons
Baldwin, New York
(November 1, 2006)

Jordan Elijah Scales
Coral Springs, Florida
(November 27, 2006)

Irene Ryskina Sinow
San Francisco, California
(November 28, 2006)

Mitchell Aaron Weisberg
Deerfield Beach, Florida
(November 27, 2006)

NASD Fines Chase Investment Services, MetLife Securities \$500,000 Each for Supervisory Violations in 529 College Savings Plan Sales

Firms Also Ordered to Pay More than \$660,000 to Compensate Customers

NASD has fined Chase Investment Services Corporation of Chicago and MetLife Securities, Inc. of New York \$500,000 each for failing to establish systems and procedures to supervise the sales of 529 College Savings Plans.

NASD also ordered the firms to compensate customers disadvantaged by those supervisory failures. Chase will pay approximately \$288,500 into about 300 customer accounts, while MetLife will pay approximately \$376,000 into a similar number of accounts.

"Firms must take steps to ensure that investors are aware of the critical features of the many different 529 Plans that are being offered today, so investors are better able to choose a plan that's right for them," said James S. Shorris, NASD Executive Vice President and Head of Enforcement. "Brokers must consider all relevant factors—including possible state tax benefits, investment choices and expenses, and more in determining whether a 529 Plan is a suitable investment for a particular customer. And brokers must disclose those relevant factors to the customer."

NASD found that during the relevant time periods—from January 2002 through August 2004 for Chase, from January 2002 until March 2005 for MetLife—neither firm had specific procedures governing the sale of 529 Plans, including procedures governing suitability requirements. During these time periods, Chase's 529 Plan sales exceeded \$134 million, while MetLife's were over \$150 million. The firms made these sales without providing specific criteria or guidance for their registered representatives to use when recommending 529 Plan purchases. Moreover, both firms failed to establish criteria for supervisors to use when reviewing 529 Plans recommended by their registered representatives and failed to establish effective procedures concerning documenting the suitability of determinations that were made.

In settling with NASD, Chase and MetLife neither admitted nor denied the findings, but consented to the entry of NASD's findings.

NASD Fines EKN Financial Services, Suspends Principals for Securities Registration Violations in PIPE Deals

EKN Suspended From Engaging In PIPE Transactions for Six Months

NASD has imposed a \$200,000 fine against EKN Financial Services Inc. of Woodbury, NY—along with CEO Anthony Ottimo, President Thomas Giugliano, Head Trader William Baker and Financial and Operations Principal Michael Benvenuto—for engaging in improper short selling in connection with three unregistered securities offerings, commonly referred to as PIPE (Private Investment in Public Equity) deals, and other violations. As part of the settlement, EKN will be suspended for six months from engaging in any PIPE transactions.

"This action represents NASD's continued commitment to ensuring that those firms and individuals who engage in improper activity involving PIPE trading will be held accountable," said James S. Shorris, NASD Executive Vice President and Head of Enforcement. "Suspending the firm for six months from future PIPE deals illustrates the seriousness with which we view these violations."

A PIPE is a private offering in which accredited investors agree to purchase restricted, unregistered securities of public companies. The companies agree, in turn, to file a resale registration statement so that investors can resell the shares to the public. Only after the PIPE shares registration is approved by the Securities and Exchange Commission (SEC) are investors free to sell them on the open market.

NASD found that on three separate occasions, between January and May 2004, EKN (formerly known as Ehrenkrantz King Nussbaum, Inc.) either directly or through one of its affiliated entities, MFN LLC or Wheatley Capital, purchased restricted PIPE shares in Authentidate Holding Corp. (ADAT), Radyne Comstream (RADN) and Escalon Medical Corp. (ESMC). Immediately, after agreeing to purchase these shares, but after the public announcement of the PIPE deal by the issuers, EKN established short positions in the stock without either owning unrestricted shares or borrowing unrestricted shares to cover the short sales. EKN then used the PIPE shares, once they were registered, to cover the short positions.

By short selling shares of ADAT, RADN and ESMC—without borrowing unrestricted shares and while intending to cover the short sales with the restricted shares purchased in the PIPE transactions—EKN, acting through Ottimo, Giugliano and Baker, engaged in unregistered securities distributions in violation of federal securities laws.

In addition to the PIPE-related violations, NASD also found that EKN failed to maintain adequate written supervisory procedures and records in certain areas, including its research activities, and failed to report 10 customer complaints to NASD. Additionally, NASD found that on multiple occasions in 2004, EKN, acting through its Financial and Operations Principal, Michael Benvenuto, operated a securities business while failing to maintain sufficient net capital. Finally, EKN, acting through Ottimo and Giugliano, permitted an individual to act in a capacity at EKN requiring registration without being properly registered.

Of the \$200,000 fine imposed against EKN, \$35,000 is joint and several with Ottimo, \$35,000 is joint and several with Giugliano, \$15,000 is joint and several with Benvenuto and \$15,000 is joint and several with Baker. Ottimo and Giugliano will also serve separate 30-day suspensions as principals and Baker will serve a 10-day suspension, also in a principal capacity. Benvenuto will be suspended for six months as a Financial and Operations Principal.

In settling with NASD, the respondents neither admitted nor denied the findings, but consented to the entry of NASD's findings and the sanctions imposed.