

BEFORE THE NATIONAL BUSINESS CONDUCT COMMITTEE

NASD REGULATION, INC.

In the Matter of
the Continued Association

of

X

as a

Registered Representative

with

The Sponsoring Firm

Redacted Decision

Notice Pursuant to
Rule 19h-1
Securities Exchange Act
of 1934

SD97005

This matter involves the continued association of X¹, a person subject to a statutory disqualification, as a registered representative with a member firm ("the Sponsoring Firm" or "the Firm"), located in New York. A hearing on the matter was held in August 1997 before a subcommittee ("SD hearing panel") of the Statutory Disqualification Committee of NASD Regulation, Inc. ("NASD Regulation"). X appeared and was accompanied by the Senior Vice President and general securities principal of the Sponsoring Firm, and counsel.

X is currently registered as a general securities representative with the Sponsoring Firm, and has been employed in that capacity since 1994. He has not been the subject of any disciplinary proceedings.

X is subject to a statutory disqualification as a result of his conviction in a state Supreme Court in November 1996 of operating a motor vehicle under the influence of alcohol, a felony. (X was charged and convicted of a felony because he had been previously convicted of operating a motor vehicle under the influence of alcohol as a misdemeanor.) He was sentenced to probation for five years and 140 hours of community service, fined \$1,500, and had his license revoked for one year.

¹ The names of the Statutorily Disqualified individual, the Sponsoring Firm, the Proposed Supervisor, and other information deemed reasonably necessary to maintain confidentiality have been redacted.

X testified at the hearing as to his employment history since his disqualification. He stated that he has been employed as a registered representative with the Firm since October 1994. He has not been the subject of any arbitration or disciplinary proceedings.

The Sponsoring Firm has been a member of the NASD since 1983 and is engaged in a general securities business. The Firm clears on a fully disclosed basis, employs 35 registered principals and 249 registered representatives, and has three branch offices. The Firm proposes to continue to employ X as a registered representative to work from the Firm's home office, in New York. Coffey will be supervised by the Senior Vice President ("the Proposed Supervisor"). The Proposed Supervisor has been a registered principal since 1983 and has no disciplinary history. It is proposed that X's primary duties will be to remain employed as a registered representative of the Firm.

At the hearing and in written submissions the Sponsoring Firm outlined the following supervisory plan:

1. The Proposed Supervisor will review and initial all order tickets, monthly statements and new account documentation.
2. The Proposed Supervisor and X will meet periodically to review X's transactions.
3. The Proposed Supervisor currently supervises two other registered representatives.

The Sponsoring Firm employs no other individuals who are subject to a statutory disqualification and no familial relationship exists between X and his proposed supervisor. The 1996 examination resulted in a Letter of Acceptance, Waiver and Consent (C07970002) for violations of MSRB Rule G-37 (political contributions) and failing to register the President of the Firm, as a general securities principal. The Firm was censured and fined \$6,500; the President was censured and fined \$2,500.

After a careful review of the entire record in this matter, we conclude that the application of X to remain associated with the Firm as a registered representative should be approved. We note that X has no financial or securities-related violations in the five years in which he has been employed as a registered representative. In addition, we note that X's proposed supervisor has been registered as a general securities principal for 14 years without incident, and will be supervising a total of three registered representatives. The Sponsoring Firm has proposed an adequate supervisory plan.

The NASD certifies that X meets all applicable qualification requirements for the proposed employment. The firm is not a member of any other self-regulatory organization.

X's registration as a registered representative with the Sponsoring Firm will remain in effect unless otherwise notified by the Commission.

On Behalf of the National Business Conduct Committee,

Joan C. Conley
Corporate Secretary