

**NASD
OFFICE OF HEARING OFFICERS**

Department of Market Regulation,

Complainant,

v.

Darrell Craig Lerner
(CRD No. 4525134)



Respondent.

Disciplinary Proceeding
No. 2005000440701

Hearing Officer – AWH

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

INTRODUCTION

Disciplinary Proceeding No. 2005000440701 was filed on July 13, 2006, by the Market Regulation Department of NASD ("Complainant"). Respondent Darrell Lerner submitted an Offer of Settlement ("Offer") to Complainant on April 24, 2007. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented for the purpose of this proceeding only, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding in which NASD is a party, to the entry of findings of facts and violations consistent with the allegations of the Complaint, and to the imposition of the sanction set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Lerner was first employed in the securities business in April 2002. From March 25, 2004 through December 31, 2004, he was a registered General Securities Representative with member firm PMG Securities. His registration terminated on December 31, 2004, and he is not currently registered. Because the Complaint was filed less than two years after his registration terminated, NASD retains personal jurisdiction over him. He has no disciplinary history.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

From March 25 through December 31, 2004, while registered with PMG Securities, Lerner did no firm business whatsoever but parked his license with the firm. During this time, Lerner engaged in undisclosed outside business activities and private securities transactions. After being informed that he was the subject of an NASD investigation, Lerner failed to update and amend his Form U-4. Finally, when he was interviewed under oath, Lerner testified falsely to impede NASD's investigation into his activities.

Based on the foregoing, Respondent violated NASD Membership and Registration Rule 1031(a), Conduct Rules 2110, 3030, 3040, Procedural Rule 8210, IM-100-1, Article III, Section 4(f) and Article V, Section 2(c) of NASD'S By-Laws.

Based on these considerations, the sanction hereby imposed by the acceptance of the Offer is in the public interest, is sufficiently remedial to deter Respondent from any future misconduct, and represents a proper discharge by NASD of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTION

It is ordered that Respondent be barred from associating in any capacity with any member firm.

Pursuant to IM-8310-2(f), the bar shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD



Cameron K. Funkhauser
Senior Vice President
Market Regulation Department

on behalf of the Director of ODA, pursuant
to delegated authority