

NASD OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

CHARLES M. CHIDO, JR.
(CRD No. 3276739)

Respondent.

Disciplinary Proceeding
No. 20050008879-02

Hearing Officer - SNB

ORDER ACCEPTING OFFER OF SETTLEMENT

Date: April 12, 2006

INTRODUCTION

Disciplinary Proceeding No. 20050008879-02 was filed on January 31, 2006, by the Department of Enforcement of NASD ("Complainant"). Respondent Charles M. Chiodo, Jr. ("Respondent" or "Chiodo") submitted an Offer of Settlement ("Offer") to Complainant on March 31, 2006. 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, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of his permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

From November 6, 2002 through March 7, 2005, Chiodo was associated with NASD member Ameritas Investment Corp. ("Ameritas") as a General Securities Representative. He is not presently associated with an NASD member firm. Respondent Chiodo has not been the subject of prior disciplinary action by NASD, other self-regulatory organizations, the Securities and Exchange Commission, or any state regulator.

FINDINGS AND CONCLUSIONS

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

First Cause Of Complaint

While associated with Ameritas, Chiodo failed to provide prompt written notice that he was engaged in employment outside the scope of his relationship with his firm. Specifically, while associated with Ameritas, Chiodo failed to disclose promptly that he owned and served as president of Innovative Financial Strategies, Inc. to which he devoted 20 hours per month. He also failed to disclose promptly that he served as president of at least two other corporations, CJ Investment, Inc. and JBC Capital, Inc., that were in the business of buying and selling investment real estate.¹

Based on the foregoing, Chiodo violated NASD Conduct Rules 3030 and 2110.

Second Cause Of Complaint

In the course of its investigation of Chiodo's undisclosed outside business activities, NASD staff sent him requests for information, pursuant to Rule 8210, on April 12, April 29, and September 28, 2005. Each of those requests was properly served by certified mail and regular first class mail to Chiodo at his CRD address, and, when an additional possible more recent address came to the staff's attention, at that address as well.

¹ The staff was unable to ascertain the full extent of Chiodo's outside business activities because he failed to respond to the staff's Requests for Information made pursuant to NASD Procedural rule 8210.

Chiodo never provided any substantive response to any of the three requests for information. His failure to respond to the April 12, 2005, April 29, 2005, and September 28, 2005 requests are violations of NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

Based on the foregoing, Chiodo violated Procedural Rule 8210 and Conduct Rule 2110.

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

SANCTION

It is ordered that Respondent Charles M. Chiodo, Jr. be barred in any and all capacities.

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

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

SO ORDERED.

NASD

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

A handwritten signature in black ink, appearing to read "Joel Kornfeld", written over a horizontal line.

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