

**NASD
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Thomas Mitchell Forbes,
CRD No. 4093425,

Respondent.

Disciplinary Proceeding
No. 20050018292 02

Hearing Officer - SW

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: March 31, 2006

INTRODUCTION

Disciplinary Proceeding No. 20050018292 02 was filed on February 1, 2006, by the Department of Enforcement of NASD ("Complainant"). Respondent Forbes submitted an Offer of Settlement ("Offer") to Complainant on March 20, 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, the 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

Respondent Forbes first entered the securities industry in December 1999 and was first registered as a general securities representative of an NASD member in March 2000. He is not currently registered with an NASD member. In June 2005, a Hearing Panel of the New York stock Exchange ("NYSE") issued a decision making findings that Forbes caused a violation of NYSE Rule 342.16, in that, without the required review and approval of his member organization employer, he issued written communications to the public and engaged in conduct inconsistent with the just and equitable principles of trade in that he continued to assist a customers in obtaining financing for a business venture and provided investment advice contrary to his firm's directive to have no further contacts with the customer. The NYSE censured Forbes and barred him from association with any NYSE member for one year.

FINDINGS AND CONCLUSIONS

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

As alleged in the Complaint, Respondent Forbes completed a Form U-4 to become associated with, and to apply for registration with, NASD member PFS Investments, Inc. He willfully failed to disclose that he was the subject of an NYSE investigation, a material fact that required disclosure on his Form U-4. In connection with a subsequent NASD examination into the disclosures on his Form U-4, Forbes failed to respond to a staff information request. Such acts, practices and conduct constitute violations of NASD Rules IM-1000-1, 2110, and 8210.

Based on the foregoing, Respondent Forbes violated NASD Rules IM-1000-1, 2110, and 8210.

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.

SANCTIONS

It is ordered that Respondent Forbes be barred from association with any NASD member in all capacities. 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

By: Joel R. Beck (AK)
Joel R. Beck, Regional Counsel
NASD
Department of Enforcement
3490 Piedmont Road, Suite 500
Atlanta, GA 30305