

NASD OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

George P. Lares
CRD No. 1072379,

Respondent.

Disciplinary Proceeding
No. 2005002001301

Hearing Officer - SNB

ORDER ACCEPTING OFFER OF SETTLEMENT

Date: November 9, 2006

INTRODUCTION

Disciplinary Proceeding No. 2005002001301 was filed on July 28, 2006, by the Department of Enforcement of NASD ("Enforcement"). Respondent, George P. Lares ("Lares") submitted an Offer of Settlement ("Offer") to Enforcement on October 31, 2006. Pursuant to Code of Procedure Rule 9270(e), Enforcement 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.

Under the terms of the Offer, Lares 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 as set forth in Complaint paragraph numbers 1-11 and 13, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Lares'

permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Lares was associated with UBS Financial Services, Inc. ("UBS") from on or about May 16, 2005 through June 15, 2005. On or about May 17, 2005, Lares provided UBS with a Uniform Application for Securities Industry Registration or Transfer ("Form U-4"), which UBS then filed with NASD. Following the submission of Lares' Form U-4, UBS learned that Lares failed to disclose that on May 13, 2005 he had been charged with a felony, information required by Form U-4 question 14(A)(1)(b). As a result of this non-disclosure, UBS terminated Lares. Following his termination from UBS, Lares was associated with Piper Jaffray & Co. from on or about July 12, 2005 through August 12, 2006. Lares currently is not associated with an NASD member firm. Lares has no relevant disciplinary history with the Securities and Exchange Commission, NASD, any state regulator or other self-regulatory organization.

FINDINGS AND CONCLUSIONS

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

1. On or about April 2, 2005, Lares was arrested in Douglas County, Colorado for burglary (a felony), assault (a misdemeanor) and criminal mischief (a misdemeanor). Lares subsequently posted bond, and, in the process executed an Appearance Bond and an Advisement of Rights. The Advisement of Rights provides that Lares was arrested for second degree burglary (F4), assault in the third degree (M1), and criminal mischief (M3). The Advisement of Rights further provided that Lares was to

appear at the Douglas County Court on May 13, 2005 for filing of charges or further proceedings.

2. On May 13, 2005, Lares appeared in court with his attorney and was formally charged with first degree burglary – assault/menace (a felony) and third degree assault (a misdemeanor).

3. On or about May 17, 2005, an initial Form U-4 was filed with NASD on behalf of Lares; Lares signed the Form U-4 on May 17, 2005. By signing the Form U-4, Lares attested that he read and understood the Form U-4 instructions and questions, and, that to the best of his knowledge, his answers contained therein were true and complete.

4. Form U-4 question 14(A)(1)(b) reads as follows: “Have you ever been charged with any felony?” Lares responded “no” to this question. Lares’ response to Form U-4 question 14(A)(1)(b) was false. As previously noted, on May 13, 2005, four days before he executed the Form U-4, Lares was charged with felony burglary – assault/menace in the District Court for Douglas County, Colorado. Based on the foregoing, Lares violated NASD Conduct Rule 2110 and IM-1000-1.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Lares 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 Lares be fined \$7,500 and suspended for forty (40)-days from association with an NASD member in any and all capacities.

The fine shall be due and payable either immediately upon re-association with a

member firm following the forty (40)-day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

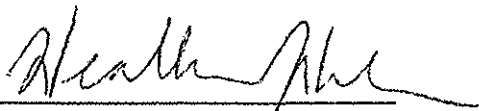
The sanctions imposed herein shall be effective on a date set by NASD staff.

SO ORDERED.

NASD

November 9, 2006
Date

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



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