

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2005002232303**

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: Daniel Koffman
(CRD No. 2691737)

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Daniel Koffman, submit this Letter of Acceptance, Waiver and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

I became registered as an Investment Company and Variable Contracts Products representative with a member of FINRA in February 1996. In April 1997, I became registered as a general securities representative with a member of FINRA. In November 2002, I became registered in the same capacity with ITRADEdirect.com Corp. (Member). In March 2003, I became registered as a general securities principal with the Member. In November 2004, I was terminated by the Member. Since then, I have been associated with another member of FINRA. I have no disciplinary history.

OVERVIEW

In March and April 2004, I effected 19 discretionary trades in the securities account of customer ED, without having obtained prior written authorization and prior written acceptance of the account as discretionary by the Member, in violation of NASD Rules 2110 and 2510(b).

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FACTS AND VIOLATIVE CONDUCT BY RESPONDENT

1. Between March 16 and April 14, 2004, I effected eleven purchase transactions on a discretionary basis in the securities account of public customer ED, as is more fully set forth in Exhibit A, without having obtained prior written authorization from the customer to exercise discretion and prior written acceptance of the account as discretionary from the Member, in violation of NASD Rules 2110 and 2510(b).
 2. Between March 16 and April 14, 2004, I effected eight sales transactions on a discretionary basis in the securities account of public customer ED, as is more fully set forth in Exhibit A, without having obtained prior written authorization from the customer to exercise discretion and prior written acceptance of the account as discretionary from the Member, in violation of NASD Rules 2110 and 2510(b).
- B. I also consent to the imposition, at a maximum, of the following sanctions: a \$5,000 fine and a ten business-day suspension from associating with any FINRA member in any capacity.

I agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See FINRA Rule 8310 and IM-8310-1.)

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

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and,
- D. To appeal any such decision to the NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waives any right to claim bias or prejudice of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to

prove any of the allegations against me; and,

C. If accepted:

1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about his disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and,
4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. I understand that I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I also understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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I certify that a duly authorized representative has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce it to submit it.

12-11-2007
Date

Daniel Koffman



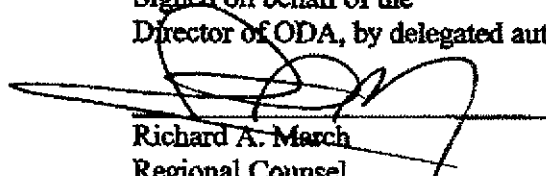
Reviewed by:

Counsel for Respondent

Accepted by FINRA:

3/17/08
Date

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



Richard A. March
Regional Counsel
FINRA Department of Enforcement
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EXHIBIT A
LIST OF DISCRETIONARY TRADES
DANIEL KOFFMAN

Date	Trade Type	Quantity	Symbol / Description	Price	Value
3/16/2004	Sold	130,000	GATX Cap Corp 6.875%	\$102.30	\$135,383.29
3/18/2004	Buy	14,000	TLAB - Tellabs inc.	\$8.91	\$126,072.75
3/24/2004	Buy	800	American Eagle Outfitters	\$26.21	\$21,200.75
3/24/2004	Buy	1,900	Juniper Networks	\$23.92	\$19,368.75
3/24/2004	Sold	10,000	TLAB - Tellabs inc.	\$8.36	\$83,063.98
3/23/2004	Buy	500	Boston Scientific Corp.	\$41.82	\$21,142.75
3/24/2004	Buy	12,500	Futuremedia Public LTD	\$1.60	\$20,240.75
3/29/2004	Sold	12,500	Futuremedia Public LTD	\$1.71	\$21,091.39
3/29/2004	Sold	800	Juniper Networks	\$26.45	\$20,876.42
3/29/2004	Buy	10,200	Network Engines Inc.	\$3.85	\$39,702.75
4/1/2004	Sold	800	American Eagle Outfitters	\$28.40	\$22,436.71
4/2/2004	Sold	500	Boston Scientific Corp.	\$44.03	\$21,761.73
4/2/2004	Buy	6,000	H Quotient, Inc.	\$2.10	\$12,759.81
4/2/2004	Buy	28,000	H Quotient, Inc.	\$2.12	\$59,985.69
4/6/2004	Sold	34,000	H Quotient, Inc.	\$2.35	\$78,265.34
4/7/2004	Sold	10,200	Network Engines Inc.	\$3.60	\$36,326.38
4/7/2004	Buy	14,000	H Quotient, Inc.	\$2.74	\$38,797.75
4/7/2004	Buy	18,000	H Quotient, Inc.	\$2.49	\$45,252.75
4/14/2004	Buy	6,500	H Quotient, Inc.	\$2.30	\$15,132.75