

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2005002402101

TO: Department of Enforcement
NASD

RE: Alfred Feronti, Respondent
General Securities Representative
CRD No. 1013847

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

I understand that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Enforcement and National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
3. If accepted:
 - a. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against me;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about my disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. 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 finding in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects my testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

I also understand that my experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Alfred Feronti entered the securities industry on April 23, 1982 as Investment Company Products/Variable Contracts Representative of a member of NASD. On October 17, 1994, he became a General Securities Representative, and on September 15, 1995, he became a General Securities Principal. On October 6, 2004, Feronti became registered in the above capacities with GWN Securities, Inc. Feronti has no disciplinary history and he remains currently registered with the GWN Securities, Inc.

I. WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under NASD'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 waive any right to claim bias or prejudgment 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 waive any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of 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.

II. 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 NASD, or to which NASD 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 NASD:

Between the approximate dates of December 14, 1995 and November 21, 2006, Alfred Feronti willfully failed to disclose or willfully failed to timely disclose outstanding judgments and liens on his Form U-4.

On November 14, 1995, while Feronti was registered as a General Securities Principal with a broker-dealer called Buckhead Financial Corporation, the Retail Credit Corporation obtained a \$334.37 judgment/lien against Feronti. Feronti was required to disclose this event by December 14, 1995, but missed this deadline causing his Form U4 to be inaccurate. Feronti satisfied this judgment/lien on April 5, 1996.

On January 9, 1996, the Society National Bank obtained a \$64,127.04 judgment/lien against Feronti. Feronti was required to report this event on his Form U4 by February 8, 1996, but Feronti failed to inform Buckhead of this judgment/lien which caused his Form U4 to be inaccurate. Feronti satisfied this debt on May 8, 1996.

In March 2001, Feronti became registered with Brecek & Young Advisors, Inc. On March 23, 2001, the 820 Company, LLC, won a civil judgment of \$90,000 against Feronti for breaking a lease. Feronti was required to report this event on his Form U4 by April 23, 2001 but did not disclose this judgment until October 28, 2002 which caused his Form U4 to be inaccurate.

On July 18, 2002, the Ohio Department of Taxation obtained a tax lien of \$1,941.02 against Feronti for unpaid state taxes. Feronti was required to report this event on his Form U4 by August 17, 2002 but did not disclose this judgment until October 28, 2002 which caused his Form U4 to be inaccurate. Feronti satisfied this debt on January 28, 2003.

On September 23, 2002, Sears Roebuck & Company obtained a judgment/lien of \$3,458.66 against Feronti for an unpaid bill. Feronti was required to report this event by October 23, 2002, but did not inform Brecek & Young thereby causing his Form U4 to be inaccurate. Feronti satisfied this debt on March 7, 2003.

On October 16, 2002, an individual named Caprice Mercer won a \$13,450.16 civil judgment against Feronti. On October 28, 2002, Feronti reported this judgment to Brecek & Young (as well as the judgment by the 820 Company, LLC that he incurred on March 23, 2001 and the Ohio tax lien that he incurred on July 18, 2002).

On February 9, 2004, Gerald M. Smith Co. LPA obtained a \$2,184.08 judgment/lien against Feronti. Feronti was required to report this event by March 10, 2004, but never informed Brecek & Young thereby causing his Form U4 to be inaccurate. Feronti satisfied this debt on July 20, 2004.

In October 2004, Feronti terminated his employment with Brecek & Young and became registered with GWN Securities Inc. Feronti did not disclose the outstanding \$90,000 judgment from the 820 Company, LLC (his former landlord) on his Form U4. Additionally, Feronti did not disclose that the Indianapolis Life Insurance Company had initiated a lawsuit against him and the suit was pending at the time he was hired even though he was aware of the suit.

On January 24, 2005, the Internal Revenue Service obtained a Federal Tax Lien for \$207,333.43 against Feronti for his failure to file returns and pay taxes for the years of 1994, 1995, 1997, 1998, 1999, 2000, 2001 and 2003. Feronti was required to disclose this lien by February 24, 2005, but did not inform GWN of these liens until November 18, 2005, thereby causing his Form U4 to be inaccurate.

On March 16, 2005, the IRS obtained a second tax lien for \$8,669.94 against Feronti for his failure to file a return and pay taxes for the year 2002. Feronti was required to disclose this lien by April 15, 2005, but did not inform GWN of this lien until November 18, 2005, thereby causing his Form U4 to be inaccurate.

On June 15, 2005, the Indianapolis Life Insurance Company obtained a \$13,660.36 judgment/lien against Feronti. Feronti was required to disclose this judgment/lien by July 15, 2005 but did not inform GWN of this judgment until January 18, 2006, thereby causing his Form U4 to be inaccurate.

On June 28, 2005, Feronti's ex-wife and the Lorrain County Child Support Enforcement Agency obtained 2 separate judgments/liens against Feronti for \$1,739.62 and \$671.78 respectively. Both of these judgments were required to be disclosed on Feronti's Form U4 by July 28, 2005, but Feronti did not inform GWN until January 18, 2005, thereby causing his Form U4 to be inaccurate.

On August 9, 2005, the IRS obtained another tax lien for \$853.87 against Feronti for his failure to file a return and pay taxes for the year 2004. Feronti was required to disclose this lien by September 8, 2005, but did not inform GWN until November 18, 2005, thereby causing his Form U4 to be inaccurate.

Feronti was aware of his obligation to disclose these judgments and liens, but did not disclose them because he was embarrassed about his personal finances.

- B. I also consent to the imposition, at a maximum, of the following sanctions:

A 6-month suspension in all capacities and \$5,000 fine, payable upon re-entry.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 6-month 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.

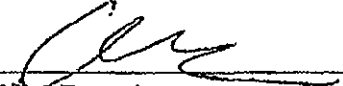
The sanctions imposed herein shall be effective on a date set by NASD staff.

III. OTHER MATTERS

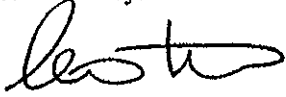
- A. I understand that I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD or its staff.
- B. I agree to pay any monetary sanctions imposed on me upon re-entry as noted above.
- C. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.
- D. I understand that if I am barred or suspended from associating with any NASD 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 NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1.)
- E. I understand that this settlement includes a finding that between the approximate dates of December 14, 1995 and November 21, 2006, I willfully failed to disclose a material facts on a Form U4, and that under Section 15(b)(4)(A) of the Securities Exchange Act of 1934 and Article III, Section 4(f) of the NASD By-Laws, these nondisclosures makes me subject to a statutory disqualification with respect to association with a member.

I certify that I have read and understand all of the provisions of this AWC and have 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 me to submit it.

5/18/07
Date


Alfred Feronti

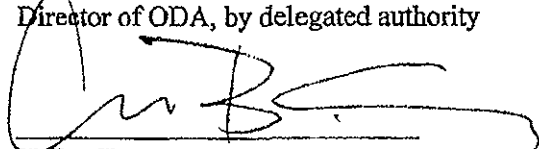
Reviewed by:


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Accepted by NASD:

6.5.07
Date

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


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