

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

BEI MIN HONG
(CRD No. 4681161),

Respondent.

Disciplinary Proceeding
No. 2005 002 4340-01

Hearing Officer – SNB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: May 3, 2006

INTRODUCTION

NASD Disciplinary Proceeding No. 2005 002 4340-01 was filed on February 24, 2006, by the Department of Enforcement of NASD ("Complainant"). Respondent Bei Min Hong ("Respondent") submitted an Offer of Settlement ("Offer") to Complainant on April 27, 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 is now 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

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

BACKGROUND

Respondent has never been registered with NASD. Respondent first became associated with an NASD member firm in May 2003 when she completed and signed a Uniform Application for Securities Industry Registration or Transfer ("Form U-4") that was submitted to NASD by an NASD member firm.

In August 2004, Respondent became an associated person of member firms Metropolitan Life Insurance Co. (BD No. 4095) and MetLife Securities Inc. (BD No. 14251) (collectively "Metropolitan"). On or about July 6, 2005, in connection with her employment with Metropolitan, Respondent executed a Form U-4 that was submitted to NASD on her behalf by Metropolitan on or about July 13, 2005.

On August 19, 2005, Metropolitan filed a Uniform Termination Notice for Securities Industry Registration ("Form U-5") concerning Respondent. According to the Form U-5, Respondent was discharged because she "did not update Form U-4 to disclose criminal charges."

Although Respondent is not currently registered with NASD, she remains subject to NASD's jurisdiction pursuant to Article V, Section 4 of its By-Laws. Specifically, the Notice of Complaint and Complaint were served upon Respondent within two years of the termination of her most recent association with a member firm.

Respondent does not have any disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

FINDINGS AND CONCLUSIONS

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

1. On or about December 9, 2004, a criminal Complaint was filed by the United States Attorney's office against Respondent in the U.S. District Court, Southern District of New York ("SDNY") (United States v. Bei Min Hong [05 Cr. 71]).
2. The Complaint charged Respondent with a felony, Bank Fraud (18 U.S.C. § 1344).
3. Respondent was indicted on the same charge in the SDNY on January 14, 2005.
4. On or about July 6, 2005, Respondent executed a Form U-4 that was submitted to NASD on her behalf by Metropolitan on or about July 13, 2005.
5. The Form U-4 requires an applicant to disclose information regarding his or her criminal history, including whether the applicant has ever been charged with a felony.
6. On the Form U-4, Respondent willfully failed to disclose the material fact that she was charged with a felony, Bank Fraud (18 USC § 1344), in January 2005, in the SDNY.

By reason of the foregoing, Respondent acted in contravention of Article V, Section 2 of NASD's By-Laws and thus violated NASD IM-1000-1 and NASD Conduct Rule 2110.

7. By letter dated October 6, 2005, sent to Respondent pursuant to, and in accordance with, NASD Procedural Rule 8210, the staff of NASD's District No. 10 office (the "Staff") requested that she provide certain information concerning, among other things, her criminal history. The letter was sent by regular first class mail, and by certified mail, return receipt requested to Respondent's last known home address as reflected in the records of NASD's Central Registration Depository [REDACTED] [REDACTED] ("CRD Address"). The letter requested a response by October 20, 2005.

8. The regular first class mailing was not returned to the Staff. The return receipt for the certified mailing was returned bearing an illegible signature.
9. Respondent's counsel in the pending SDNY action ("Respondent's SDNY Counsel") called the Staff and requested an extension of time for Respondent to respond to November 18, 2005. Respondent's SDNY Counsel told the Staff that he did not represent Respondent in the NASD's investigation.
10. The Staff granted the extension request. On October 17, 2005, the Staff received an e-mail from Respondent's SDNY Counsel confirming the extension.
11. Respondent did not respond to the October 6, 2005 letter.
12. By letter dated November 28, 2005, the Staff again requested that Respondent provide information concerning, *inter alia*, her criminal history. The letter was sent by regular first class mail, and by certified mail, return receipt requested to Respondent's CRD Address and another address the Staff obtained from Equifax [REDACTED] (the "Equifax Address"). The request was made pursuant to, and in accordance with, NASD Procedural Rule 8210, and required a response by December 9, 2005.
13. The regular first class mailing to the CRD Address was not returned to the Staff. The return receipt for the certified mailing to the CRD Address was returned bearing an illegible signature.
14. The return receipt for the certified mailing to the Equifax Address was returned bearing an illegible signature. The envelopes containing both the regular first class mailing and the certified mailing to the Equifax Address were returned to the Staff bearing the handwritten notations "Return to Sender - Address No Longer Here" and

a Postal Service label reading "Return to Sender - Not Deliverable as Addressed, Unable to Forward."

15. The Staff received an e-mail from Respondent dated November 29, 2005, which read:

"I will not be responding to your request for information, and I understand that by not responding, I will be barred by your agency."

16. No response to the Staff's second letter was ever received from Respondent and the Staff did not send additional requests.

By reason of the foregoing, Respondent violated NASD 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.

SANCTIONS

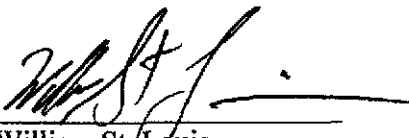
It is ordered that Respondent be:

- barred from associating with any NASD member in any capacity.

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.

By:


William St. Louis
Deputy Regional Chief Counsel,
Signed on behalf of the Director of
ODA, by delegated authority