

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006004237301

TO: Department of Enforcement
NASD

RE: Kerie Anne Smith, Respondent
Associated Person
CRD No. 4512256

Pursuant to Rule 9216 of the NASD Code of Procedure, Kerie Anne Smith ("Smith") submits 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, National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs 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 the 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 in which the NASD is not a party.

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

Smith has never been registered with NASD. From about January 2004 through about March 2005, she was associated with PNC Investments LLC ("PNC") as an unregistered sales assistant. From about March 15, 2005 to about October 28, 2005, she was associated with Janney Montgomery Scott LLC in an unregistered capacity. She has not been associated with any NASD member since about October 28, 2005. Smith has no disciplinary history.

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:

1. In November 2004, while associated with PNC, after a customer had signed an Investment Switch Acknowledgement form whereby the customer acknowledged a surrender charge would be incurred in making an investment switch from one mutual fund to another, Smith changed the surrender charge percentage that was shown on the form to a higher percentage without the customer's knowledge or authorization.

Based on the foregoing, Smith violated NASD Conduct Rule 2110.

2. By letters dated November 4, 2005, November 23, 2005 and December 13, 2005, NASD requested, pursuant to Procedural Rule 8210, information in writing from Smith concerning her alleged alteration of an Investment Switch Acknowledgement form and other matters related to her employment at PNC. Smith failed to respond to the letters. By a letter dated December 29, 2005, NASD required Smith to appear in the Philadelphia District Office on January 12, 2006 to testify under oath on the record. Smith failed to appear to testify.

Based on the foregoing, Smith violated NASD Procedural Rule 8210 and Conduct Rule 2110.

- B. I also consent to the imposition, at a maximum, of the sanction of a bar from association with any NASD member.

Pursuant to IM-8310-2(f), the bar imposed herein shall become effective upon approval or acceptance of this AWC by the NAC.

III.

OTHER MATTERS

I understand that if I am barred from association 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. (See NASD Rule 8310 and IM-8310-1).

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.

1/27/06
Date

Kerie Anne Smith
Kerie Anne Smith

Accepted by NASD:

February 28, 2006
Date

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

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