NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2006004268401

TO: Department of Enforcement
NASD

RE: Maxi Joel Arias, Respondent
[General Securities Representative]
[CRD No. 4556162]

Pursuant to Rule 9216 of NASD Code of Procedure, Respondent Maxi Joel Arias ("Arias" or "Respondent") 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 Respondent alleging violations based on the same factual findings.

Respondent understands 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 Respondent; and

3. If accepted:

   a. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against him;

   b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Respondent's 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. Respondent 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 Respondent's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

Respondent also understand that his 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:

Respondent first became registered with NASD as a General Securities Representative ("GSR") on August 12, 2002 and he has been registered with NASD through several member firms since that time. From April 25, 2003 through January 30, 2006, he was last registered with NASD as a GSR through member firm Citicorp Investment Services (BD No. 23988) ("CIS").

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

I.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under NASD's Code of Procedure:

A. To have a Formal Complaint issued specifying the allegations against him;

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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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. Respondent hereby accepts and consents, without admitting or denying the allegations or 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 or around December 2005, while registered with NASD as a GSR through member firm CIS, Arias falsified customer signatures on six insurance applications. By reason of the foregoing, Arias violated NASD Conduct Rule 2110.

(2) Arias failed to respond to requests for information, sent to him by NASD staff pursuant to NASD Procedural Rule 8210, on:

- April 10, 2006;
- April 27, 2006; and
- May 15, 2006.

By reason of the foregoing, Arias violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

B. Respondent also consents to the imposition, at a maximum, of the following sanctions:

- A bar from associating with any member firm in any capacity.

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

III.

OTHER MATTERS

Respondent understands that if he is barred or suspended from association with any NASD member, he becomes 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, he 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.)

Respondent certifies that he has read and understands 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 him to submit it.

8/15/06
Date

Maxi Joel Arias

Accepted by NASD:

9/5/06
Date

Jon S Batterman/sb

Jon S. Batterman
Deputy Regional Chief Counsel
Department of Enforcement
NASD, District 10
Two Jericho Plaza
Jericho, New York 11753

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

NASD Deputy District Director
Patricia Cappeto
NASD, District 10
Two Jericho Plaza
Jericho, New York 11753