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REGISTRATION & DISCLOSURE

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20070075515-01

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Mr. Alexander Goldstein
(CRD No. 4373969)

Pursuant to NASD Rule 9216 of the FINRA Code of Procedure, I, Alexander Goldstein ("Respondent"), 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 entered the securities industry in September 1996, as a registered representative of a member of FINRA. Since that time I have been associated with four other member firms, the latest being Genesis Securities, LLC, where I was employed as a registered representative until approximately two months ago. I have no prior disciplinary history.

SUMMARY

This matter results from an investigation conducted by the Market Regulation Department ("the staff") of my securities trading activities from February to September, 2006 (the "review period"), for compliance with the federal securities laws and regulations, and the rules and regulations of FINRA.

FACTS AND VIOLATIVE CONDUCT

1. In or about October 2005, I was retained by a foreign-owned financial institution ("the Bank") to trade two of its brokerage accounts on a discretionary basis.
2. From February 2006 through September 2006, I intentionally effected 18 paired security transactions between my personal brokerage account and the two brokerage accounts I traded on behalf of the Bank. I effected these transactions for my own personal benefit and profit, and knowingly failed to disclose to the Bank that I was the party on the other side of the transaction. In each of the eighteen instances I realized a trading profit from the transaction and the Bank incurred a loss.
3. More specifically, I effected each of the 18 paired transactions by causing a trade of a certain number of shares of a Nasdaq listed security to be executed between my personal account and one of the Bank's accounts. I generally caused the trade to occur between my account and the Bank's account by entering the order for my account and the opposite-side order for the Bank's account within 30 seconds of each other. In each instance the trade was executed instantaneously with my entry of the second order.
4. Subsequently, using the same technique, I caused a second trade of the same number of shares of the same security to be executed between my personal account and one of the Bank's accounts at a price that resulted in a trading profit in my personal account and a trading loss in the Bank's account.
5. The 18 paired transactions were executed in sixteen different securities listed on NASDAQ. I effected seven of the paired transactions in relatively thinly traded securities during market hours. Most of these thinly traded securities had an average daily trading volume that was less than 20,000 shares. The other 11 paired transactions were executed, at least in part, outside of regular market hours.
6. By selecting issues that were relatively thinly traded, or by trading outside of regular market hours, I was able to minimize further the risk that my order and the Bank's order would receive executions with other parties. In addition, by controlling each account, I was able to select when to enter the orders and to direct them so they would trade with each other, thereby essentially minimizing any market risk from these transactions to my personal account.
7. Through these 18 paired transactions, I realized total trading profits of at least \$25,667.72.
8. My authority to trade the Bank's brokerage accounts was terminated by the Bank in March 2007, after the Bank had become aware of my conduct.

9. By reason of the forgoing conduct, I, by the use of means or instrumentalities of interstate commerce, or of the mails, intentionally and recklessly effected transactions in, and induced the purchase and sale of, Nasdaq securities by means of deceptive, manipulative, and other fraudulent devices or contrivances, in violation of NASD Conduct Rules 2110 and 2120, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

OTHER FACTORS

B. I also consent to the imposition of the following sanctions:

A bar in all capacities.

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 NASD Rule 8310 and IM-8310-1.)

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to IM-8310-3(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive 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 waive 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 waive 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 me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my 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 finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. 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.

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; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

04/24/2008
Date

Alexander Goldstein
Alexander Goldstein
Respondent

Accepted by FINRA:

5/14/08
Date

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

Thomas R. Gira
Thomas R. Gira
Executive Vice President
Department of Market Regulation