

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070083155-01**

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REGISTRATION & DISCLOSURE

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

RE: Paul S. Kuklinski, Respondent
General Securities Representative
Research Analyst
CRD No. 4755396

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I 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

Kuklinski entered the securities industry in 2004 as a General Securities Representative of FINRA member Soleil Securities Corporation ("Soleil"). In February 2005, Kuklinski became a Research Analyst for Soleil. He ceased his association with Soleil on or about February 5, 2007, and has not been associated with any other FINRA member since that time. Kuklinski has no disciplinary history.

OVERVIEW

Kuklinski frequently traded in securities he covered as a research analyst for Soleil. Many of those trades violated NASD rules against personal trading by research analysts. The trading occurred in Kuklinski's personal securities

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accounts at FINRA member Charles Schwab & Co., Inc. ("CSC"). Kuklinski did not provide timely written notification to Soleil of these accounts, nor did he provide CSC with timely written notification of his association with Soleil.

FACTS AND VIOLATIVE CONDUCT

Restrictions on Personal Trading by Research Analysts **NASD Conduct Rules 2711(g) and 2110**

From March 20, 2006 through January 30, 2007, in his personal securities accounts at CSC, Kuklinski executed approximately 188 purchases or sales of securities issued by companies that he followed. Each of these transactions occurred during a period beginning 30 calendar days before and ending five calendar days after the publication of a research report he had authored concerning the relevant company.

Kuklinski thereby committed separate and distinct violations of NASD Conduct Rules 2711(g)(2) and 2110.

From February 10, 2006 through January 30, 2007, in his personal securities accounts at CSC, Kuklinski executed approximately 201 purchases or sales of securities in a manner inconsistent with his recommendation as reflected in the most recent research report published by Soleil concerning the relevant company.

Kuklinski thereby committed separate and distinct violations of NASD Conduct Rules 2711(g)(3) and 2110.

Transactions for or by Associated Persons **NASD Conduct Rules 3050 and 2110**

In November 2003, Kuklinski opened a personal securities account at CSC. Despite becoming associated with Soleil in January 2004, Kuklinski did not promptly notify Soleil in writing of the existence of his account at CSC. Kuklinski also failed to promptly notify CSC in writing that he had become associated with Soleil.

In June 2006, Kuklinski opened a second personal securities account at CSC without providing prior written notification to Soleil. Moreover, Kuklinski opened this second account without providing prior written notification to CSC that he was currently associated with Soleil.

Kuklinski thereby committed separate and distinct violations of NASD Conduct Rules 3050(c) and 2110.

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

1. A bar from associating with any FINRA member firm in any capacity; and
2. A fine of \$200,000, which includes disgorgement of unlawful profits of \$185,972.67.

The fine shall be due and payable prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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 NASD 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 National Adjudicatory Council ("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 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.

3/11/08
Date

Paul S. Kuklinski
Paul S. Kuklinski

Accepted by FINRA:

April 11, 2008
Date

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

John S. Han
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