

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007008478903**

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

RE: Kevin T. Forrester, Respondent
General Securities Representative
CRD No. 4094887

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

In about February 2000, Kevin T. Forrester ("Forrester") first became registered with FINRA (f/k/a National Association of Securities Dealers or NASD) as a General Securities Representative. From December 16, 2004 to October 11, 2006, he was registered as a General Securities Representative through Linsco/Private Ledger Corp. From October 26, 2006 to about March 16, 2007, he was registered as a General Securities Representative through Kovack Securities Inc. Forrester has not been associated with any FINRA member since about March 16, 2007. Forrester has no disciplinary history with FINRA.

OVERVIEW

Forrester misused and converted to his own use and benefit funds he received from public investors that were intended for investment. He also failed to respond to FINRA letters requesting information. This conduct violated NASD Conduct Rules 2330(a) and 2110, IM-2310-2 and NASD Procedural Rule 8210.

FACTS AND VIOLATIVE CONDUCT

From about March 2006 to about March 2007, eight investors gave him amounts of money ranging from about \$40,000 to about \$426,000. A few of the investors maintained securities accounts with Forrester at the firms with which he was associated. The funds, totaling approximately \$1 million, were intended for investment; Forrester represented to the eight investors that he would invest the funds on their behalf. Following Forrester's instructions, each investor gave him a check (or checks) payable to Forrester Financial Group or Forrester Financial Group, Inc. Forrester, however, did not invest the funds as promised. Instead, while he was associated with a member firm, Forrester converted the bulk of the funds to his own use and benefit. He also used some of the funds to repay other persons who had given him funds for investment.

Based on the foregoing conduct, Forrester violated NASD Conduct Rules 2330(a) and 2110 and IM-2310-2.

By letters dated April 11, 2007, May 3, 2007 and May 22, 2007, FINRA staff requested, pursuant to NASD Procedural Rule 8210, information in writing and documents from Forrester concerning an investigation into whether he sold securities and/or engaged in business activities outside the scope of his employment with members of FINRA. Forrester failed to provide FINRA any information requested in the letters.

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

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

- A bar from association with any FINRA member in any capacity.

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

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

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 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.

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

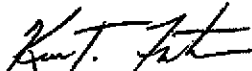
C. If accepted:

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.

4-1-08

Date



Kevin T. Forrester
Respondent

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Reviewed by:



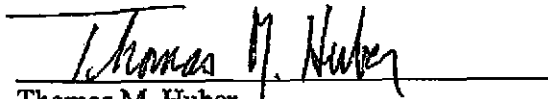
Steven D. Silverman, Esq.
Silverman, Thompson, Slutkin, White LLC
201 N. Charles Street, Suite 2600
Baltimore, MD 21201

Accepted by FINRA:

April 22, 2008

Date

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



Thomas M. Huber
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