

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007008785901**

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

RE: Martin H. Scharf, Respondent
General Securities Representative
CRD No. 803465

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 January 1975, Martin H. Scharf ("Scharf") first became registered with FINRA (f/k/a National Association of Securities Dealers or NASD) as a Limited Representative – Investment Company and Variable Contracts Products. He was registered in that capacity through Metropolitan Life Insurance Company from January 1975 to about August 4, 2006 and through MetLife Securities Inc. from January 1997 to about August 4, 2006. Scharf has not been associated with any FINRA member since about August 4, 2006. Scharf has no disciplinary history with FINRA.

OVERVIEW

Scharf forged the names of three customers to various insurance documents. This conduct violated NASD Conduct Rule 2110 and IM-2310-2.

FACTS AND VIOLATIVE CONDUCT

In or about June 2005, in connection with a customer's exchange of two insurance

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policies for a variable annuity, Scharf forged the customer's name, or caused it to be forged, on three documents including a form containing important disclosures concerning the transaction. The customer did not otherwise receive the disclosures.

From about April 16, 2006 to about May 21, 2006, Scharf forged two customers' names, or caused their names to be forged, on several forms relating to purchases of insurance the customers were considering. Certain of the forms contained important disclosures, consent for HIV testing and/or authorizations to release information. After forging the customers' names, Scharf submitted the forms to his member firm for processing.

Based on the foregoing conduct, Scharf violated NASD Conduct Rule 2110 and IM-2310-2.

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.

5-1-08

Date

Martin H. Scharf

Martin H. Scharf
Respondent

Accepted by FINRA:

May 22, 2008

Date

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

Thomas M. Huber

Thomas M. Huber
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