

ORIGINAL

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007009020301**

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

**RE: Jeffrey S. Adler, Respondent
Registered Representative
CRD No. 1102075**

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Jeffrey S. Adler, 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

Adler entered the securities industry in 1993 as an Investment Company Products/Variable Contracts Representative of a member of FINRA. Between the dates of April 2003 and September 2005, Adler was registered with MetLife Securities, Inc. ("MetLife") in this capacity. Between the dates of September 2005 and March 2008, Adler was registered with Park Avenue Securities ("PAS") in this capacity. Adler is not currently registered with any FINRA member. Adler does not have a disciplinary history.

OVERVIEW

Adler received a complaint from a customer from his previous firm. Adler settled this complaint without notifying his current or previous firm.

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FACTS AND VIOLATIVE CONDUCT

On July 25, 2005, Adler sold a company a variable universal life insurance ("VUL") policy that insured the life of one of the company's executives. This VUL policy required annual premiums of \$50,000 per year. At the time of this sale, Adler was registered with MetLife.

After selling the policy, Adler resigned his position with MetLife and became registered with PAS in September 2005.

In November or December 2006, Adler learned that the president of the company, TW, was dissatisfied with the VUL policy. TW complained orally to Adler that he did not understand the product and that he was unaware that it entailed an annual \$50,000 premium payment. Additionally, TW complained about the recent decline in value of the securities held in the VUL policy's sub-accounts.

On January 13, 2007, Adler wrote a check for \$19,000 to TW in an attempt to settle his complaint. Adler also faxed to TW a policy surrender form for TW to complete and send to MetLife. TW cashed the check.

On May 8, 2007, TW sent MetLife a written complaint alleging that he did not understand the VUL policy and that he was unaware that the VUL required an annual \$50,000 premium payment. TW requested full reimbursement of his initial \$50,000 premium payment and the cancellation of the policy. Shortly thereafter, MetLife sent Adler a letter asking him to respond to TW's allegations.

On May 19, 2007, Adler provided a written response to MetLife's inquiry. Adler provided to MetLife proof that he adequately disclosed the annual cost of the VUL to TW during the application process. Adler further explained that he had already settled this matter with TW by paying him \$19,000. This was MetLife's first indication that Adler had attempted to settle a customer complaint. Around this time, Adler also informed PAS for the first time about his attempted settlement with TW on January 13, 2007.

On August 14, 2007, MetLife cancelled the VUL policy and fully reimbursed TW's initial premium payment of \$50,000. Once PAS became aware of TW's complaint and allegations, it suspended Adler from conducting any business. Adler voluntarily resigned from PAS in March 2008.

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

A 10 business day suspension from association with any FINRA member in any capacity and a \$5,000 fine.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 10 business day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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.)

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:

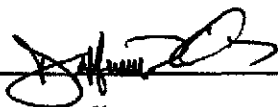
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not 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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand

that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

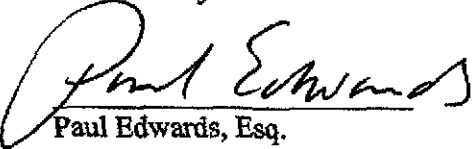
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

4/24/08

Date


Jeffrey S. Adler

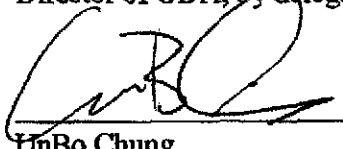
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Accepted by FINRA:

5-2-08
Date

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


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