

**LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070094334**

TO: Department of Enforcement
FINRA

RE: Alex Bernal
Non-Registered Employee
CRD No. 5266422

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, Alex Bernal ("Bernal") submits 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 Bernal alleging violations based on the same factual findings.

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

On October 10, 2006, Bernal became employed at Bear Stearns & Co. Inc. ("Bear Stearns" or the "Firm") as a non-registered employee at the Firm's Los Angeles office. Bernal remained at Bear Stearns until December 18, 2006 when his employment was terminated. Bernal is not currently employed in the securities industry.

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PRIOR DISCIPLINARY HISTORY

Bernal has no prior disciplinary history.

FACTS

On January 20, 2005, Bernal pled guilty to, and was convicted of the following misdemeanor offenses: one count of receiving known stolen property (California Penal Code ("CPC") Section 496(a)), one count of burglary (CPC Section 664/459), and one count of providing a false ID to police officers (CPC Section 148.9(a)). Bernal received 3-years probation for these convictions and was fined \$325.

On September 27, 2006, Bernal completed a Bear Stearns employment application in which he was required to answer questions inquiring of his background. Bernal failed to disclose his aforementioned misdemeanor convictions to a question on the employment application which asked *"have you ever been convicted of a crime or pled guilty to a violation of any federal, state, county, military or municipal law?"*

In doing so, Bernal violated NASD Rule 2110 in that he failed to disclose material facts regarding his prior criminal history on an application for employment submitted to his member employer.

Pursuant to Sections 3(a)(39)(F) and 15(b)(4)(B) of the Securities Exchange Act of 1934, Bernal became subject to a statutory disqualification on January 20, 2005 and will remain so until 2015.

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

A suspension from association with any member in any capacity for a period of six-months.

A fine of \$5,000, payable upon either immediately upon reassociation with a member firm following the six-month 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.

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 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 understand that I may attach a Corrective Action Statement to this AWC, which is a statement of demonstrable corrective steps taken to prevent future misconduct. I further 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.

Date

Jan 17, 2008

Alex Bernal



Accepted by FINRA:

2/13/08
Date

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

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a horizontal line and a small flourish.

Anthony J. Cavallaro, Vice President
FINRA Department of Enforcement
14 Wall Street, 14th Floor
New York, NY 10005