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REGISTRATION & DISCLOSURE

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070109252-01

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

RE: D. Peter Tipping
General Securities Representative
(CRD No. 2278762)

Pursuant to NASD Rule 9216 of FINRA's Code of Procedure, I, Respondent D. Peter Tipping, 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 (formerly known as NASD) 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

Since 1993, I have been registered with FINRA as a General Securities Representative through consecutive associations with different member firms. From November 2002 through the present, I have been registered with FINRA as a General Securities Representative through my association with Bear, Stearns & Co., Inc. (BD No. 79)("Bear Stearns").

RELEVANT PRIOR DISCIPLINARY HISTORY

I have no disciplinary history with the Securities and Exchange Commission, any state securities agency or any self-regulatory organization.

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FACTS AND VIOLATIVE CONDUCT

On occasion between 2006 and 2007, while I was registered with FINRA as a General Securities Representative through an association with Bear Stearns, I exercised discretion in the accounts of five customers without written authorization and without Bear Stearns's acceptance of the accounts as discretionary.

By reason of the foregoing, I violated NASD Conduct Rules 2510 and 2110.

OTHER FACTORS

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

- A suspension in all capacities for a period of five (5) business days; and
- A fine in the amount of \$5,000.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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.

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;

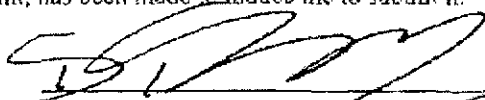
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, 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

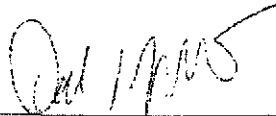
no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

10/6/08

Date


D. Peter Tipping, Respondent

Reviewed by:



Ms. Debra Guzov, Esq.
Counsel for Peter D. Tipping
Guzov Ofsink, LLC
600 Madison Avenue
14th Floor
New York, New York 10022

Accepted by FINRA:

October 28, 2008
Date

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


Elissa Meth Kestin
Senior Regional Counsel
FINRA Department of Enforcement
One Liberty Plaza
New York, New York 10006
212-858-4702 (phone); 212-858-4770 (fax)

**THIS CORRECTIVE ACTION STATEMENT IS SUBMITTED BY THE
RESPONDENT. IT DOES NOT CONTAIN FACTUAL OR LEGAL FINDINGS BY
FINRA, NOR DOES IT REFLECT THE VIEWS OF FINRA, OR ITS STAFF.**

In re: Peter Tipping:
Exam/Investigation No. 20070109252

STATEMENT OF CORRECTIVE ACTION

Respondent, Peter Tipping, hereby submits this Statement of Corrective Action in connection with the Letter of Acceptance Waiver and Consent, submitted in the above-referenced action pursuant to NASD Rule 9216 of FINRA's Code of Procedure. This statement is provided at the invitation of Senior Regional Counsel of FINRA, Elissa Meth Kestin, Esq. for the purpose of proposing a settlement of certain alleged rule violations.

1. I am a registered General Securities Representative through my association with Bear Stearns & Co., Inc. (BD No. 79), now owned by J.P. Morgan, Inc. ("Bear Stearns").
2. In July, 2007, I learned that Bear Stearns had received an oral complaint concerning my partner, Joseph N. Bellavia with whom I share accounts concerning trades made on a customer's account without written discretionary authority.
3. During the course of Bear Stearns' investigation into this matter, it was discovered that I too had executed trades for approximately five other customers on a discretionary basis without obtaining written discretionary authority.
4. I cooperated promptly and fully with Bear Stearns' investigation.
5. As soon as I discovered that the written authority was not in place on some of my accounts, I immediately took corrective action on my own initiative.
6. Although I had long-standing relationships with these clients, and had obtained oral

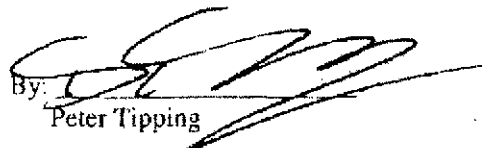
THIS CORRECTIVE ACTION STATEMENT IS SUBMITTED BY THE RESPONDENT. IT DOES NOT CONTAIN FACTUAL OR LEGAL FINDINGS BY FINRA, NOR DOES IT REFLECT THE VIEWS OF FINRA, OR ITS STAFF.

permission to execute all such trades, I immediately ceased discretionary trading in these accounts.

7. In July 2007, I undertook my own review of my client accounts to ensure that all were properly documented. Further, I immediately took steps to ensure that, going forward, I would manage all accounts in accordance with the written, agreed-upon client investment objectives.
8. In addition, I have taken appropriate actions designed to ensure that I will remain in compliance with all applicable laws, rules regulations and internal firm policies in the future.

Dated: October 3, 2008

Respectfully Submitted,

By: 
Peter Tipping