

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20070119379-01**

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REGISTRATION & DISCLOSURE

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

RE: Joseph Schnaier, Respondent
Registered Representative (CRD No. 2656314)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Joseph Schnaier ("Respondent" or "Schnaier") 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Joseph Schnaier first became registered with FINRA as a general securities representative ("GSR") in November 1995 through a former member firm. Between 1995 and 2006, Schnaier was employed at 10 other member firms. In May 2006, Schnaier became registered with Prestige Financial Center (BD No. 30407) as a GSR. On January 1, 2008, Prestige filed a Uniform Termination Notice for Securities Industry Registration ("Form U-5"), terminating Schnaier's registration as of that date. Schnaier is not currently associated with any FINRA member firm.

RELEVANT DISCIPLINARY HISTORY

Schnaier does not have any relevant disciplinary history.

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FACTS AND VIOLATIVE CONDUCT

In a letter dated June 8, 2009, FINRA staff requested, pursuant to FINRA Procedural Rule 8210, that Schnaier appear for an on-the-record interview ("OTR") at FINRA's New York, New York offices on June 30, 2009. Schnaier's appearance was requested in connection with an ongoing FINRA examination concerning 2006 and 2007 sales of shares of stock in a non-public corporation. Schnaier failed to appear for this requested OTR.

On July 2, 2009, FINRA staff made a second request, pursuant to FINRA Procedural Rule 8210, that Schnaier appear for an OTR at FINRA's New York, New York offices on July 27, 2009. Schnaier failed to appear for this requested OTR.

By failing to appear for OTRs, requested pursuant to Rule 8210, Schnaier violated FINRA Procedural Rule 8210 and FINRA Conduct Rule 2010.

B. Respondent also consents to the imposition of the following sanctions:

- Schnaier shall be barred from associating with any FINRA member in any capacity.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, Respondent 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 FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;

- B. To be notified of the 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives any right to claim that a person violated the *ex parte* prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA 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

Respondent understands that:

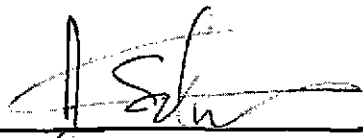
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's 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 FINRA Rule 8313; and
4. Respondent 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. Respondent 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has 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 Respondent to submit it.

8-24-09
Date


Joseph Schnaier, CRD No. 2656314

Reviewed by:

8-24-09
Date

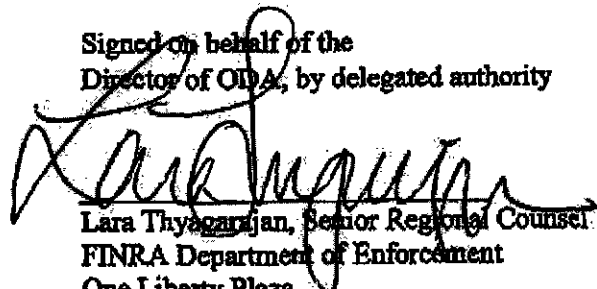

Marvin G. Pickholz, Esq.
Duane Morris LLP
1540 Broadway
New York, NY 10036

Accepted by FINRA:

August 26, 2009

Date

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



Lara Thyagarajan, Senior Regional Counsel
FINRA Department of Enforcement
One Liberty Plaza
New York, NY 10006