

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080116478-01**

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

**RE: AXA Advisors, Inc. ("AXA" or the "Respondent")
BD No. 6627**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent 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.

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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

AXA has been a member of FINRA since January 23, 1974. The firm conducts a general securities business and is primarily engaged in the distribution of mutual funds, variable life insurance and variable annuity contracts. AXA has approximately 7,000 registered individuals and 1,700 branch offices.

RELEVANT DISCIPLINARY HISTORY

In September 2006, AXA consented to a censure and a \$20,000 fine for violations of SEC Rule 17a-4, NASD Rules 2110, 3010, 3110, 6230 and 6230(A) for failing to timely report TRACE-eligible securities, failing to preserve brokerage memoranda containing required information, and failing to have a supervisory system reasonably designed to achieve compliance with NASD rules concerning TRACE reporting.

FACTS AND VIOLATIVE CONDUCT

1. Between September 11, 2007 and April 11, 2008 (the "Review Period"), AXA effected 1075 municipal securities transactions that were required to be reported to the Municipal Securities Rulemaking Board's ("MSRB's") Real-Time Transaction Reporting System ("RTRS"). In a review of a sample of 60 municipal securities transactions reported to RTRS during the Review Period, it was determined that 100% of the sampled transactions were reported inaccurately. Specifically, each transaction was reported with AXA acting in a principal capacity when AXA actually acted as agent on the transactions.

Additionally, AXA caused inaccurate and incomplete confirmations to be sent to customers in each of the sampled transactions. 100% of the sampled transactions were incorrectly confirmed to customers as principal transactions, when they should have been confirmed as agency transactions.

Based on the foregoing, AXA violated MSRB Rule G-14 and G-15.

2. During the Review Period, AXA effected 447 corporate bond transactions that were eligible for trade reporting through FINRA's Trade Compliance and Reporting Engine ("TRACE"). In a review of 87 corporate bond transactions, it was determined that 73 out of 87 (or 84%) of the transactions were reported to TRACE inaccurately. Specifically, each transaction was reported with AXA acting in a principal capacity when AXA actually acted as agent on the transactions.

Additionally, in a review of 47 of the sampled 87 corporate bond transactions, it was determined that 36 (or 76%) of the customer confirmations were inaccurate and incomplete. Specifically, the sampled transactions were incorrectly confirmed to customers as principal transactions, when they should have been confirmed as agency transactions.

Based on the foregoing, AXA violated Rule 10b-10 of the Securities Exchange Act of 1934 and NASD Conduct Rule 2110. AXA also violated NASD Systems and Programs Rule 6230.

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

- A censure, and
- A \$20,000 fine.

Respondent agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. Respondent has submitted an Election of Payment form showing the method by which

Respondent proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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

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 it;
- 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 it; 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 Respondent's 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D.** Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it 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.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf 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.

1.28.10
Date

Christine Nigro
Respondent, AXA Advisors, Inc. (BD No. 6627)

By: _____
Christine Nigro
Title: President
AXA Advisors, LLC

Reviewed by:

Michael D. Wolk, Esq.
Michael D. Wolk, Esq.
Counsel for Respondent
Bingham McCutchen LLP
2020 K Street NW
Washington, DC 20006-1806
202-373-6249

Accepted by FINRA:

February 5, 2010
Date

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

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