

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008012093801**

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REGISTRATION & DISCLOSURE

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

RE: John Christopher Nori, Respondent
Registered Representative
CRD No. 2505172

Pursuant to Rule 9216 of FINRA Code of Procedure, John Christopher Nori ("Nori" or "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 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

Nori was born in [REDACTED]. He first entered the securities industry in April 1996 with Dean Witter Reynolds, Inc. as an intern. Nori became a General Securities Representative on or about June 18, 1996. His individual CRD number is 2505172. In May 1998, Nori joined Merrill Lynch as a financial advisor trainee. He remained with Merrill Lynch, eventually rising to the position of Financial Advisor in Charge at the Clinton Township, Michigan branch office until the Firm terminated his employment in July 2005. In August 2005, Nori began employment as a registered representative at Mutual Service Corporation, a FINRA-regulated firm. On July 31, 2009, Nori resigned from Mutual Service Corporation, and is not currently employed in the securities industry.

RELEVANT PRIOR DISCIPLINARY HISTORY

Respondent has no relevant prior disciplinary history.

OVERVIEW

This investigation arose as a spin-off referral, dated December 1, 2005, from the Division of Member Firm Regulation ("MFR") of NYSE Regulation, Inc. ("NYSE Regulation") of certain

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exceptions related to MFR's 2005 examination of the Firm's supervisory standards and sales practice procedures.

At one of the Firm's branch offices, Nori's responses to inquiries mislead NYSE Regulation examiners. Specifically, Enforcement's¹ investigation disclosed that during 2005 while serving as Financial Advisor in Charge, and at the request of his immediate supervisor, Nori, either possessing personal knowledge to the contrary or after learning information to the contrary, knowingly failed to correct NYSE Regulation examiners' belief that Merrill Lynch did not employ any cold-callers at the Firm's Clinton Township branch office. In effect, Nori denied to NYSE Regulation examiners that the branch office employed non-registered cold-callers and that they used telemarketing scripts when in fact there were interns at the branch who were engaged in those activities. In an attempt to obfuscate the facts and mislead the NYSE Regulation examiners, Nori also instructed staff at the branch office that, if asked, the branch office employees were to tell the NYSE Regulation examiners that there were no *approved interns* employed at the branch office. By virtue of this conduct, Nori violated NASD Rule 2110, in that he failed to observe high standards of commercial honor and just and equitable principles of trade.

FACTS AND VIOLATIVE CONDUCT

1. In June 2005, NYSE Regulation examiners visited Merrill Lynch's Clinton Township, Michigan branch office (hereinafter "Clinton Township" or the "Branch Office") to conduct a routine sales practice and operational branch examination of the Firm.
2. While on-site at the Branch Office, the NYSE Regulation examiners inquired whether there were any non-registered cold-callers and whether such individuals used telemarketing scripts at the Branch Office. In certain instances, interns are used in the securities industry to engage in cold-calling for member firms. Member firms, however, are required to approve the use of interns via an employment screening process. In this case, the Branch Office used unapproved interns who engaged in cold-calling.
3. Enforcement's investigation revealed that in response to the inquiries, Nori, at the request of his immediate supervisor, instructed staff at the Branch Office that, if asked, the Branch Office employees were to tell the NYSE Regulation examiners that there were no *approved interns* employed at the Branch Office.
4. The NYSE Regulation examiners were unaware of the existence of the *unapproved* interns at the Branch Office.

¹ On July 30, 2007, the Division of Member Firm Regulation, Inc., a portion of the Division of Enforcement of NYSE Regulation, Inc., and the NASD merged to form the Financial Industry Regulatory Authority (FINRA). Hereinafter this entity will be referred to as "Enforcement".

5. Enforcement's investigation subsequently disclosed that Nori in fact used *unapproved* interns as non-registered cold-callers at Clinton Township. Thus, by claiming that there were no *approved* interns at the Branch Office, Nori affirmatively failed to disclose to NYSE Regulation examiners that there were non-registered cold-callers employed at the Branch Office.
6. Nori's omission mislead the NYSE Regulation examiners to believe that no non-registered cold-callers were employed at the Branch Office when, in fact, the Branch Office employed unapproved interns as non-registered cold-callers.
7. By virtue of the foregoing conduct, Nori violated NASD Conduct Rule 2110 by engaging in conduct inconsistent with high standards of commercial honor and just and equitable principles of trade in that, while either possessing personal knowledge to the contrary or after learning information to the contrary, he failed to fully and accurately disclose to NYSE Regulation examiners that Merrill Lynch employed non-registered cold-callers at Firm's Clinton Township branch office.

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

1. A three month suspension from acting in any and all capacities with any FINRA member firm;
2. A concurrent suspension of six months from any supervisory duties;
3. Prior to beginning any supervisory position, a re-examination for the Series 9 and 10 licenses; and
4. A \$5,000 fine.

The fine shall be due and payable either immediately upon re-association with a member firm following the six month suspension 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(s) 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 FINRA Rule 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, 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 specifically and voluntarily waive 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

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 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 him;
 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. 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. 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. I may attach a Mitigation 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.

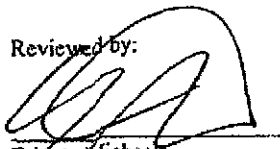
8/17/09



Date

John Christopher Nori, Respondent

Reviewed by:

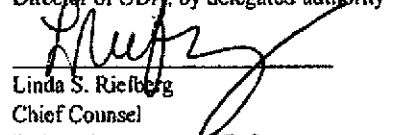


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Accepted by FINRA:

8/25/09
Date

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



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