

RECEIVED

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008013061401**

REGISTRATION & DISCLOSURE

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

RE: Bob Bassari, Respondent
Registered Principal
(CRD No. 2695482)

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Bob Bassari, 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 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

Bob Bassari ("Bassari") entered the securities industry on January 25, 1996, as a General Securities Representative of a member of FINRA. On December 7, 1999, Bassari also became registered as a General Securities Principal of a member firm. From October 3, 2005 to April 9, 2008, he was registered in such capacities with Financial Network Investment Corporation ("Member"), a member of FINRA. Bassari is currently registered with another member of FINRA, and he has no disciplinary history.

OVERVIEW

Bassari sent a form letter to 250 former customers without seeking or obtaining the approval of the appropriate principal of the Member, in violation of NASD Rules 2110 and 2210(a)(2). In addition, the letter was not fair and balanced, in

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violation of Rules 2110 and 2210(d)(1)(A); and contained unwarranted statements and claims, in violation of Rules 2110 and 2210(d)(1)(B).

FACTS AND VIOLATIVE CONDUCT

1. On February 12, 2008, Bassari drafted a form letter about his previous employer, and mailed it to about 250 of his former customers. Since the form letter was mailed to 250 potential customers, it was considered "sales literature," as described in NASD Rules 2110 and 2210(a)(2).
2. Bassari mailed the letter to his former customers without first obtaining an approval by the appropriate registered principal of the Member. Such conduct violated NASD Rules 2110 and 2210(b)(1).
3. Rule 2210(d)(1)(A) requires that representatives' and members' communications with the public be fair and balanced, and to provide the investor with a sound basis for evaluating the facts regarding the securities products or services being discussed.
4. The form letter stated "According to Reuters News Agency on Tuesday Feb 12th, 2008, [sic] AIG, said that "material weakness" in valuing a credit derivatives portfolio had triggered auditor questions over its accounting. That sent its shares down nearly 12%, the biggest drop for AIG since October 1987. Standards and Poor's [sic] cut AIG ratings outlook to negative from stable the same day. To read the full story, go to Yahoo or Google and type "AIG News". Is [sic] AIG's credit woes going to affect your retirement account? More than likely not, but it doesn't hurt to be safe [sic] than sorry." The form letter failed to provide a sound basis for that statement, and therefore it violated NASD Rules 2110 and 2210(d)(1)(A).
5. Rule 2210(d)(1)(B) prohibits false, exaggerated, unwarranted or misleading statements or claims in representatives' and members' communications with the public.
6. The form letter contained the following statements which are promissory of future results:
 - a. "By working with companies such as: ING, Equitable, Hartford, Pacific Life and others, I can show you how to earn a minimum of 5% to 7% income benefit on your money, guarantee your principal, while allowing you to invest in the market at the same time."

- b. "I have been working with former clients on a regular basis, offering them sound investment advice and planning to minimize their investment risk and maximizing their returns, while providing income that they cannot outlive."
- c. "[S]ee how we can position your account in a way to help you earn a higher rate of return on your single largest investment."

7. The statements in paragraph 6 above are unwarranted in violation of NASD Rules 2110 and 2210(d)(1)(B).

- B. I also consent to the imposition of the sanctions of a ten business-day suspension from association with any member of FINRA in any capacity, and a \$5,000 fine.

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 Rules 8310 and 8311).

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.

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 Complaint issued specifying the allegations against me;
- 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 further 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 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 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. 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.

7-02-2009
Date


Bob Bassari
Registered Principal

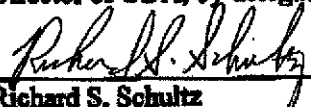
Reviewed by:

Counsel for Respondent

Accepted by FINRA:

7/13/09
Date

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


Richard S. Schultz
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FINRA Department of Enforcement
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