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FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20080154702-01

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REGISTRATION & DISCLOSURE

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

RE: Francine Ann Lanaia
General Securities Principal
[CRD No. 1415689]

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

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ACCEPTANCE AND CONSENT

- A. Lanaia 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

Lanaia first became registered with FINRA as a General Securities Representative ("GSR") in or around April 1986 through a member firm. From March 26, 2003 through April 17, 2008, Lanaia was registered as a General Securities Principal ("GSP") through Trident Partners Ltd. (BD#41258) ("Trident"). Lanaia is currently registered as a GSP through another member firm.

RELEVANT DISCIPLINARY HISTORY

In November 2000, Lanaia submitted an AWC in which she consented to a censure and a fine of \$10,500, jointly and severally with her former member firm, and to the entry of findings that the firm, acting through Lanaia (i) permitted an individual to function as a registered representative and paid commissions to another individual during periods that they were "inactive" due to failure to complete the Regulatory Element of FINRA's Continuing Education Program; and (ii) failed to report customer complaints to FINRA as required. Lanaia has no other relevant disciplinary history.

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OVERVIEW

While registered through Trident, Lanaia failed to adequately supervise RB, a registered representative in Trident's Hauppauge, NY office, who engaged in unsuitable trading in two customer accounts. Lanaia's conduct violated NASD Conduct Rules 3010(a) and 2110.

FACTS AND VIOLATIVE CONDUCT

From March 2003 through November 2006, Lanaia failed to adequately supervise RB, a broker in Trident's Hauppauge, New York branch office. Specifically, Lanaia knew or should have known that, during March 2003 through November 2006, RB was recommending to two customers, and effecting in their accounts, purchases of speculative securities without having reasonable grounds for believing that the recommendations were suitable for them in light of the customers' investment objectives and financial situation and needs. By reason of the foregoing, Lanaia violated NASD Conduct Rules 3010(a) and 2110.

- B. Lanaia also consents to the imposition of the following sanction:

A suspension of Lanaia from associating with any FINRA member firm in a principal capacity for 20 business days.

A fine in the amount of \$5,000.

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against her;
- 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, Lanaia 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.

Lanaia 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

Lanaia 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 Lanaia; and
- C. If accepted:
 - 1. this AWC will become part of Lanaia's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Lanaia;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Lanaia'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. Lanaia 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. Lanaia 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 Lanaia's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. Lanaia may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Lanaia understands that she 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.

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

6-11-09
Date

Francine Ann Lanaia
Francine Ann Lanaia

Reviewed by:

Lawrence R. Gelber, Esq.
34 Plaza Street - Ste. 1107
Brooklyn, NY 11238-5038
718 638 2383
Attorney for Francine Lanaia

Accepted by FINRA:

July 17, 2009

Date

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

Samuel L. Barkin

Samuel L. Barkin
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