

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20090198598**

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

RE: Goldman, Lass Securities, Respondent
CRD No. 2029;

Barry Lass, Respondent
Owner, President and Chief Compliance Officer
CRD No. 303177

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondents 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 the Respondents alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The Respondents 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

Barry Lass ("Lass"), is the owner, President and Chief Compliance Officer ("CCO"), of Goldman, Lass Securities ("Goldman, Lass" or the "Firm") as well as the Firm's sole Financial and Operations Principal ("FINOP"). Lass has worked in the securities industry since 1967. He has been associated with Goldman Lass Securities since April 1983. Lass holds Series 4, 7, 24, 27, 52, 53, and 99 licenses.

Goldman, Lass has been a member of FINRA since 1953 and is headquartered in Yonkers, New York. Until November 2010, Goldman, Lass provided brokerage services focusing on equities, mutual funds, and options to retail customers. The

Firm's current source of revenue is limited to trailers and fees from mutual funds that are held by customers directly with the mutual fund companies.

RELEVANT DISCIPLINARY HISTORY

The Firm and Lass have no relevant disciplinary history.

OVERVIEW

Between January 2008 and December 2012 (the "Relevant Period"), the Firm violated Section 17a of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17a-3 thereunder, NASD Rules 3110 and 2110, and FINRA Rule 2010 by failing to make and keep current accurate blotters and ledgers; Exchange Act Rule 17a-4(b)(9), NASD Rules 3010 and 2110 and FINRA Rule 2010 by failing to maintain certain records; and Exchange Act Rule 17a-13, NASD Rule 2110 and FINRA Rule 2010 by failing to conduct a quarterly security count of the securities in the Firm's office vault.

During the same period, the Firm violated Exchange Act Rule 15c3-3e, NASD Rule 2110 and FINRA Rule 2010 by failing to accurately compute its customer reserve requirement; Exchange Act Rules 15c3-3(b)(1), 15c3-3(c)(2), NASD Rule 2110 and FINRA Rule 2010 by failing to maintain a required control location for certain securities; Exchange Act Rule 15c3-3(d)(4), NASD Rule 3010 and FINRA Rule 2010 by failing to maintain a current and detailed description of the procedures it utilizes to comply with the possession or control requirements; and Exchange Act Rules 15c3-1(c)(2)(vii)(09), 15c3-1(c)(2)(vi)(E), and 15c3-1(c)(2)(iv)(B), NASD Rule 2110 and FINRA Rule 2010 by failing to accurately calculate its net capital requirement.

During the Relevant Period, the Firm also violated Exchange Act Rule 15c3-1(c)(2)(v), NASD Rule 2110, and FINRA Rule 2010 based upon its inability to identify and resolve short securities differences; Federal Reserve Bank ("FRB") Regulation T Section 220.4(c) and 220.8(d) as a result of deficiencies in its margin accounts; NASD Conduct Rules 3230 and 2110, and FINRA Rule 2010 by failing to have an acceptable clearing agreement; NASD Conduct Rules 2330(d) and 2110 and FINRA Rule 2010 by failing to segregate or identify customer fully paid for and excess margin securities; NASD Conduct Rules 2340 and 2110 and FINRA Rule 2010 by failing to send accurate and/or timely account statements to customers, as well as failing to include required information on account statements; NASD Conduct Rules 2860, 2110, and FINRA Rules 2360 and 2010 by failing to send monthly account statements to customers that had option activity in their accounts, as well as failing to include required legends on account statements; NASD Conduct Rules 2342 and 2110 by failing to provide

customers with the Web site address and telephone for the Securities Investor Protection Corporation ("SIPC"); NASD Conduct Rules 2520 and 2110 by failing to compute the margin requirement on a daily basis for margin customers; NASD Conduct Rules 3160 and 2110 by failing to file the required Regulation T extensions for customer cash purchases; and NASD Conduct Rule 2110 and FINRA Rule 2010 by improperly comingling customer and non-customer funds in the Firm's omnibus account.

In the course of the Relevant Period, Lass, the Firm's sole FINOP and CCO, violated FINRA Rule 2010 by causing the Firm to violate Exchange Act Rules 15c3-3e and 15c3-3(d)(4); NASD Rule 2110 and FINRA Rule 2010 by causing the Firm to violate Exchange Act Rule 15c3-3(b)(1), 15c3-3(c)(2); and NASD Rules 3010(b) and 2110 and FINRA Rule 2010 by failing to ensure that the Firm had adequate written policies and procedures designed to achieve compliance with federal securities laws and NASD and FINRA Rules.

FACTS AND VIOLATIVE CONDUCT

1. Failure to Maintain a Control Location for Certain Securities and Failure to Have a Clearing Agreement

Exchange Act Rule 15c3-3(b)(1) requires brokers or dealers to obtain and maintain the physical possession or control of all fully paid securities and excess margin securities carried for the accounts of customers (i.e., the securities must be held in a good control location). Securities in an omnibus account are deemed securities in a good control location, in part, if the account meets the requirements set forth in Exchange Act Rule 15c3-3(c).

Specifically, Exchange Act Rule 15c3-3(c)(2) provides, in part, that customer securities are considered to be in a good control location, when the securities are carried in a specific omnibus account in the name of such broker or dealer with another broker or dealer, to the extent that the broker or dealer has instructed such carrying broker or dealer to maintain physical possession and control of them free of any charge, lien or claim of any kind in favor of such carrying broker.

NASD Rule 3230 states, in pertinent part, that "[a]ll clearing or carrying agreements entered into by a member ... shall specify the respective functions and responsibilities of each party to the agreement".

During the period from 2008 through 2012, the Firm, acting through Lass, maintained its omnibus account at RL, another FINRA-regulated broker-dealer. RL cleared its customer business on a fully disclosed basis through a different firm. Goldman, Lass utilized the omnibus account to process all customer

transactions and the personal trades of Lass. However, the Firm, acting through Lass, failed to have a clearing agreement with RL, and thus failed to instruct RL to maintain physical possession and control of the securities held in the account free of any charge, lien or claim of any kind in favor of such carrying broker. By maintaining an omnibus account at RL without a clearing agreement, the Firm's omnibus account was not a valid control location as stated by Exchange Act Rule 15c3-3. As a result, the Firm failed to maintain a control location for certain customer securities.

By virtue of this conduct the Firm, acting through Lass, violated Exchange Act Rules 15c3-3(b)(1) and 15c3-3(c)(2), NASD Rules 3230 and 2110, FINRA Rule 2010. In addition, Lass violated NASD Rule 2110 and FINRA Rule 2010 by causing the Firm to violate Exchange Act Rule 15c3-3(c)(2).

2. Improperly Comingling Customer and Non-Customer Funds in the Firm's Omnibus Account

NASD Rule 2110 requires that members in the conduct of their business, observe high standards of commercial honor and just and equitable principles of trade.¹

During the period from 2008 through 2010, the Firm, acting through Lass, improperly comingled customer and non-customer funds in the Firm's omnibus account.

By virtue of this conduct, the Firm, acting through Lass, violated NASD Rule 2110 and FINRA Rule 2010.

3. Failure to Send Accurate or Timely Account Statements to Customers, and Failure to Include Required Information on Account Statements

NASD Rule 2340 states, in pertinent part, that "each general securities member shall, with a frequency of not less than once every calendar quarter, send a statement of account ... containing a description of any ... money balances, or account activity to each customer whose account had a security position, money balance, or account activity during the period since the last such statement was sent to the customer." NASD Rule 2340 also states that "each general securities member shall include in the account statement a statement that advises the customer to report promptly any inaccuracy or discrepancy in that person's account to his or her brokerage firm ... [s]uch statement also shall advise the

¹ Effective December 15, 2008, FINRA Rule 2010 superseded NASD Rule 2110. The text of the rule was unchanged.

customer that any oral communications should be re-confirmed in writing to further protect the customer's rights, including rights under the Securities Investor Protection Act (SIPA)."

From 2008 through 2010, the Firm sent customers account statements that failed to include security movements or money balances or account activity for each customer whose account had such activity since the last statement was sent to the customer. In addition, the Firm failed to send certain customers quarterly account statements in a timely manner, and in other instances failed to send quarterly statements to customers.

During the same period, the Firm also sent customers account statements that failed to advise the customers to report promptly inaccuracies or discrepancies in their account, and failed to notify the customers that any oral communications should be re-confirmed in writing to further protect the customers' rights, including rights under Securities Investor Protection Act.

By virtue of this conduct, the Firm violated NASD Rules 2340, 2110, and FINRA Rule 2010.

4. Failures Related to Possession and Control of Securities Held at the Firm

Exchange Act Rule 17a-13 states, in pertinent part, that "[a]ny member, broker, or dealer ... shall at least once in each calendar quarter-year ... [p]hysically examine and count all securities held". In addition, Exchange Act Rule 17a-13 requires, *inter alia*, that firms "[c]ompare the results of the count and verification with his records."

Exchange Act Rule 15c3-3(d)(4) states, in pertinent part, "[a] broker or dealer ... shall prepare and maintain a current and detailed description of the procedures which it utilizes to comply with the possession or control requirements set forth in this section."

NASD Rule 3010 states, in pertinent part, "Each member shall establish, maintain, and enforce written procedures ... that are reasonably designed to achieve compliance with applicable securities laws and regulations."

From 2009 through 2010, the Firm, through Lass, failed to have procedures, including written procedures, to conduct a quarterly security count of the securities located in the Firm's office vault. In addition, during this period, the Firm did not reconcile the securities in the vault with the Firm's stock record.

By virtue of this conduct, the Firm, through Lass, violated Exchange Act Rules

15c3-3(d)(4) and 17a-13, NASD Rule 3010(b) and FINRA Rule 2010. Additionally, Lass violated FINRA Rule 2010 by causing the Firm to violate Exchange Act Rule 15c3-3(d)(4). Lass also violated NASD Rule 3010 (b) and FINRA Rule 2010 by failing to establish and maintain written procedures to conduct a quarterly security count of the securities located in the Firm's office vault.

5. Failure to Accurately Compute the Firm Customer Reserve Requirement

Exchange Act Rule 15c3-3(e)(1) requires that every broker or dealer maintain a Special Reserve Bank Account for the Exclusive Benefit of Customers. The calculation of the amount to be maintained in the account and any necessary deposits is based upon the formula in Exchange Act Rule 15c3-3(a), Exhibit A (Formula for Determination of Reserve Requirements for Broker Dealers).

Exchange Act Rule 17a-3(a)(11) requires, in pertinent part, that the Firm create "[a] record of the proof of money balances of all ledger accounts ... and a record of the computation of aggregate indebtedness and net capital."

During 2009 and 2010, the Firm, through Lass, inaccurately computed its customer reserve formula and filed inaccurate customer reserve formula computations with FINRA. As a result of the Firm's inaccurate computations, during 2009 and 2010, the Firm had insufficient funds in its customer reserve bank account. Specifically, the Firm's customer reserve account had a deficiency of \$134,716 in 2009 and \$392,662 in 2010.

By virtue of this conduct, the Firm, through Lass, violated Exchange Act Rules 15c3-3(e)(1) and 17a-3(a)(11) and FINRA Rule 2010. In addition, Lass violated FINRA Rule 2010 by causing the Firm to violate Exchange Act Rule 15c3-3(e)(1).

6. Failure to Have Adequate Procedures and Records Related to Certain Customer and Margin Securities

Exchange Act Rule 17a-4(b)(9) requires that certain records be maintained by firms, including "records required to be made pursuant to Rule 15c3-3(d)(4)." Pursuant to Exchange Act Rule 15c3-3(d)(4), "[a] broker or dealer ... with respect to physical possession or control of fully paid and excess margin securities shall prepare and maintain a current and detailed description of the procedures which it utilizes to comply with the possession or control requirements set forth in this section." Rule 15c3-3 also requires the following disclosure be used with omnibus accounts containing margin securities "The [seller] ... therefore must keep the [buyer's] securities segregated at all times".

From 2009 through 2010, the Firm did not have procedures to make daily determinations of the number of customer fully paid and excess margin securities. In addition, the Firm did not create or maintain records evidencing instructions that the Firm provided to its introducing broker dealer, RL, to segregate customers' fully paid and excess margin securities.

By virtue of this conduct, the Firm violated Exchange Act Rule 17a-4(b)(9) and FINRA Rule 2010 and NASD Rule 3010.

7. Failure to Accurately Calculate the Firm's Net Capital and Make and Keep Accurate Books and Records

Exchange Act Rule 17a-3(a)(1) requires that the Firm create blotters containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities, all receipts and disbursements of cash and all other debits and credits. The records must show the account for which each such transaction was effected, the name and amount of securities, the unit and aggregate purchase or sale price (if any), the trade date, and the name or other designation of the person from whom purchased or received or to whom sold or delivered.

Exchange Act Rule 17a-3(a)(2) requires that the firms create "[l]edgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts."

Exchange Act Rule 17a-3(a)(3) requires that firms create "[l]edger accounts (or other records) itemizing separately as to each cash and margin account of every customer ... all purchases, sales, receipts and deliveries of securities and commodities for such account and all other debits and credits to such account."

Exchange Act Rule 17a-3(a)(5) states, in pertinent part, "[a] securities record or ledger reflecting separately for each security ... carried by such member, broker or dealer ... for the account of its customers ... showing the location of all securities long and the offsetting position to all securities short, including long security count differences and short security count differences classified by the date of the physical count and verification in which they were discovered, and in all cases the name or designation of the account in which each position is carried."

The term "net capital" is defined by Exchange Act Rule 15c3-1(c)(2)(vii)/09, to mean the net worth of a broker or dealer, adjusted by "[d]educting 100 percent of the carrying value in the case of securities ... in the proprietary or other accounts of the broker or dealer, which cannot be publicly offered or sold". For calculation

of net capital, Exchange Act Rule 15c3-1(c)(2)(iv)(B) requires the deduction of fixed assets and assets which cannot be readily converted into cash, including, in pertinent part, "All unsecured advances and loans ... deficits in special omnibus accounts [and] deficits in customers' ... unsecured and partly secured accounts". For calculation of net capital, Exchange Act Rule 15c3-1(c)(2)(vi)(E) provides a schedule of discounts-to-market-value to assign to "negotiable certificates of deposit". The applicable percentage of the market value ranges from 0 to 1/2 of 1 percent.

NASD Rule 3110 states, in pertinent part, "Each member shall make and preserve books, accounts, records, memoranda, and correspondence in conformity with all applicable laws, rules, regulations ... prescribed by SEC Rule 17a-3."

From 2009 through 2010, many of the Firm's records were not current and accurate, and in one instance overstated its net capital and excess net capital. Specifically, the following Firm records were not current and/or accurate:

- the Firm's stock record failed to include 14 securities owned by customers, the Firm's stock record was not updated to reflect the location of customer positions, and the Firm's total long and short positions on the Firm's stock record did not agree;
- customer account statements did not agree with the stock record and/or the clearing firm's account statement;
- the Firm overstated its net capital and excess net capital for March 31, 2009 by \$79,349. The Firm failed to take the required charges of \$35,149 on certificates of deposits and \$41,782 of unsecured customer debits that were erroneously reported as allowable assets.
- the Firm's business savings account, with a balance of \$202, was not reflected on the Firm's books and records;
- the Firm was unable to provide reconciliations for its business savings account certificates of deposit at an unaffiliated bank, and the reserve bank account at an unaffiliated bank;
- the Firm did not properly credit multiple customers in its customer ledger for cash activity in its omnibus account held at RL;
- the Firm did not properly credit customers in its books and records for physical stock certificates held in the Firm's vault;

- money received from and payable to customers was not properly reflected on the customer ledger; and,
- the Firm deposited a \$50,000 check received from a customer and posted the funds to another customer's account.

As a result of the Firm's failure to maintain accurate books and records, the Firm sent inaccurate account statements to customers and failed to reconcile its stock record with its clearing firm's account statement.

By virtue of this conduct, the Firm violated Exchange Act Rules 15c3-1(c)(2)(iv)(B), 15c3-1(c)(2)(vi)(E), 15c3-1(c)(2)(vii)/09, 17a-3(a)(1), 17a-3(a)(2), 17a-3(a)(3), and 17a-3(a)(5), FINRA Rule 2010 and NASD Rule 3110.

8. Failure To Identify and Segregate Customer Fully Paid and Excess Margin Securities

NASD Rule 2330(d) states: "No member shall hold securities carried for the account of any customer which have been fully paid for or which are excess margin securities unless such securities are segregated and identified by a method which clearly indicates the interest of such customer in those securities."

During 2008 and 2009 the Firm failed to segregate or identify customer fully paid for and excess margin securities as required.

By virtue of this conduct, the Firm violated NASD Rules 2330(d) and 2110 and FINRA Rule 2010.

9. Failure to Send Complete Account Statements to Customers

NASD Rule 2860(b)(15)(A) and FINRA Rule 2360(b)(15)¹ state that "[s]tatements of account ... shall be sent no less frequently than once every month to each customer in whose account there has been an entry during the preceding month with respect to an option contract". The Rules further state that account statements "shall bear a legend stating that further information with respect to commissions and other charges related to the execution of option transactions has been included in confirmations of such transactions previously furnished to the customer, and that such information will be made available to the customer promptly upon request. The statements shall also bear a legend requesting the customer promptly to advise the member of any material change in the customer's

¹ NASD Rule 2860(b)(15) became FINRA Rule 2360(b)(15), effective February 17, 2009.

investment objectives or financial situation.”

During 2008 and 2009, the Firm failed to send monthly account statements to customers that had option activity in their account during the course of the month as required. In addition, the Firm sent account statements to customers that failed to include the following (i) a legend stating further information with respect to commissions and other charges related to the execution of option transactions has been included in confirmations of such transactions previously furnished to the customer, and that such information will be made available to the customer promptly upon request, and (ii) a legend requesting the customer to promptly advise the member of any material change in the customer's investment objectives or financial situation.

By virtue of this conduct, the Firm violated NASD Rules 2860(b)(15)(A) and 2110 and FINRA Rules 2010 and 2360(b)(15).

10. Failure to Provide Securities Investor Protection Corporation (SIPC) Information

NASD Rule 2342 states, in pertinent part, that “[a]ll members ... shall provide the Web site address and telephone number of SIPC.”

During 2008, the Firm failed to provide customers with the Web site address and telephone of Securities Investors Protection Corporation (SIPC).

By virtue of this conduct, the Firm violated NASD Rules 2342 and 2110.

11. Failures Related to Customer Margin Accounts

FRB Regulation T Section 220.4(c) states, in pertinent part, “[a]ll transactions on the same day shall be combined to determine whether additional margin is required by the creditor. For the purpose of computing equity in an account, security positions are established or eliminated and a credit or debit created on the trade date of a security transaction. Additional margin is required on any day when the day's transactions create or increase a margin deficiency in the account and shall be for the amount of the margin deficiency so created or increased.”

FRB Regulation T Section 220.8(d) states, in pertinent part, that “[u]nless the creditor's examining authority believes that the creditor is not acting in good faith ... it may upon application by the creditor ... [e]xtend any period specified in paragraph (b) of this section”.

NASD Rule 2520 provides a method for calculating “[t]he margin which must be

maintained in all accounts of customers”.

NASD Rule 3160 states, in pertinent part, that FINRA members “must submit requests for extensions of time as contemplated by Sections 220.4(c) and 220.8(d) of Regulation T ... to NASD for approval”.

During 2008, the Firm’s records failed to properly designate the account type as margin or cash. The Firm also failed to compute equity, market value, and the margin requirement on a daily basis for margin customers, failed to have procedures to compute the customer secured, partly secured and unsecured balances as required under Exchange Act Rule 15c3-1, and failed to file the required margin extensions for customer cash purchases.

By virtue of this conduct, the Firm violated FRB Regulation T Sections 220.4(c) and 220.8(d), and NASD Rules 2520, 3160 and 2110.

12. Failures Related to the Reconciliation of Certain Positions

Exchange Act Rule 15c3-1(c)(2)(v) provides a schedule for “[d]educting the market value of all short securities differences (which shall include securities positions reflected on the securities record which are not susceptible to either count or confirmation) unresolved after discovery”.

During 2008, the Firm did not prepare a reconciliation of its money and security positions. As a result, the Firm was unable to identify and resolve short security differences in 10 securities in the amount of \$8,349 and a favorable difference of \$25,831 between its records and those of RL.

By virtue of this conduct, the Firm violated Exchange Act Rule 15c3-1(c)(2)(v), NASD Rule 2110 and FINRA Rule 2010.

B. The Respondents also consent to the imposition of the following sanctions:

Barry Lass:

- A 30-day suspension from association with any FINRA member firm in any principal capacity; and
- a \$7,500 fine.

Goldman, Lass Securities:

- A censure and a \$10,000 fine; and
- Goldman, Lass shall:

1. Retain, within 60 days of the date of the Notice of Acceptance of this AWC, an Independent Consultant, not unacceptable to FINRA staff, to conduct a comprehensive review of the adequacy of the Firm's policies, systems and procedures (written and otherwise) relating to the violations identified above. The Consultant shall return and conduct a follow-up review one year after the date of the Notice of Acceptance of this AWC. Thirty days after each review is completed by the Independent Consultant, the President of Goldman, Lass must certify to FINRA in writing that the Independent Consultant confirmed that Goldman, Lass has addressed the rule violations noted herein and currently has systems and procedures reasonably designed to achieve compliance with the rules referenced in this AWC. The certification, along with the current procedures, must be submitted to FINRA staff.
2. Exclusively bear all costs, including compensation and expenses, associated with the retention of the Independent Consultant;
3. Cooperate with the Independent Consultant in all respects, including by providing staff support. Goldman, Lass shall place no restrictions on the Independent Consultant's communications with FINRA staff and, upon request, shall make available to FINRA staff any and all communications between the Independent Consultant and the Firm and documents reviewed by the Independent Consultant in connection with his or her engagement. Once retained, Goldman, Lass shall not terminate the relationship with the Independent Consultant without FINRA staff's written approval; Goldman, Lass shall not be in and shall not have an attorney-client relationship with the Independent Consultant and shall not seek to invoke the attorney-client privilege or other doctrine or privilege to prevent the Independent Consultant from transmitting any information, reports or documents to FINRA;
4. Require the Independent Consultant to enter into a written agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any other employment, consultant, attorney-client, auditing or other professional relationship with Goldman, Lass, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such. Any firm with which the Independent Consultant is affiliated in performing his or her duties pursuant to this AWC shall not, without prior written consent of FINRA staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Goldman, Lass or any of its present or former affiliates, directors, officers, employees, or

agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

The Respondents agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. The Respondents have submitted an Election of Payment form showing the method by which they propose to pay the fine imposed.

Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, FINRA imposed a lower fine in this case after it considered, among other things, the firm's revenues and financial resources. See Notice to Members 06-55.

The Respondents specifically and voluntarily waive any right to claim that they are unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Barry Lass understands that if he is barred or suspended from associating with any FINRA member in a Principal capacity, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, Barry Lass may not be associated with any FINRA member in any Principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

Furthermore, because Barry Lass is subject to a statutory disqualification during the suspension, if he remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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

II.

WAIVER OF PROCEDURAL RIGHTS

The Respondents 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, the Respondents 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.

The Respondents 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

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

- D. The Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Respondents understand that they 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 Respondents certify that they have read, and the undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that they 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 the Respondents to submit it.

02/22/2013

Date (mm/dd/yyyy)

Barry Lass

Barry Lass, Respondent

02/22/2013

Date (mm/dd/yyyy)

Barry Lass

Barry Lass

President

Goldman Lass Securities

20 S. Broadway, Room 907

Yonkers, NY 10701

Accepted by FINRA:

3.27.13
Date

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

A handwritten signature in black ink, appearing to read "R. Best", written over a horizontal line.

Richard Best
Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, NY 10281