

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010021436801**

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

RE: Irving Louis Adler (CRD 3175612)
Respondent

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

I.

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

Irving Louis Adler first became registered with FINRA in 1999 as a general securities representative. Between February 27, 2002, and February 11, 2010, Adler was registered with FINRA regulated firm New England Securities Corporation (the "Firm"). Respondent has not been associated with a FINRA regulated broker-dealer since his termination from the Firm on February 11, 2010. FINRA retains jurisdiction over Respondent pursuant to Article V, Section 4(a) of the By-Laws because the conduct that serves as the basis for this action commenced prior to his termination of registration from a FINRA regulated broker-dealer and this AWC has been filed within two years after the effective date of Respondent's last termination of registration from a FINRA regulated broker-dealer.

FACTS AND VIOLATIVE CONDUCT

1. Between November 2005 and June 2009, in addition to being registered with the Firm, Respondent was a certified public accountant and partner in an accounting firm.

2. From November 2005 to June 2009, Respondent participated in private securities transactions when approximately 13 customers of his accounting firm or the Firm purchased promissory notes issued by Richard Elkinson.¹
3. After meeting Elkinson in about 2005, Respondent introduced his clients to Elkinson. About 13 clients invested a total of approximately \$2.5 million in Elkinson's promissory notes from about November 2005 to June 2009, as a result of Respondent's referrals. Twelve of the 13 customers lost a total of approximately \$2,103,375.² For referring the 13 customers to him, Elkinson paid Respondent about \$16,434 in "selling compensation," as the term is defined in NASD Rule 3040.
4. The customer transactions with Elkinson constituted "private securities transactions" by Respondent, as the term is defined in NASD Rule 3040. Respondent failed to provide written notice to his firm describing in detail the proposed transactions with Elkinson and his proposed role therein and stating whether he had received or may receive selling compensation in connection with the transactions.
5. By virtue of the misconduct described herein, Respondent violated NASD Rules 3040 and 2110 (for misconduct before December 15, 2008) and FINRA Rule 2010 (for misconduct beginning December 15, 2008).

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

A bar in all capacities from associating with any FINRA member.

Respondent understands that if he is barred or suspended from associating with any FINRA member, 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, Respondent 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).

¹ In June 2010, the United States District Court for Massachusetts found that Elkinson had engaged in a Ponzi scheme involving the sale of unregistered securities in the form of promissory notes. Investors received promissory notes signed by Elkinson, with terms that generally required payment within 300 to 330 days and with an interest rate that ranged from nine percent to 13 percent. Elkinson was ordered to pay disgorgement of \$28 million, plus pre-judgment interest of \$468,533 and a civil penalty of \$1 million.

² The Firm made full restitution to Respondent's clients even though three clients were not customers of the Firm.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar 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 Respondent;
- 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 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 Respondent;
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.

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

Feb 28, 2011
Date

Irving Louis Adler
Irving Louis Adler

Juan M. Marcelino
Juan M. Marcelino, Esquire
Greenberg Traurig LLP
One International Place
Boston, MA 02110
Counsel for Respondent

Accepted by FINRA:

March 11, 2011
Date

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

Michael J. Dixon

Michael J. Dixon
Senior Counsel
Department of Enforcement