

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012033819001**

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

RE: Gregory Louis Zerillo, Respondent
CRD No. 2777946

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

Gregory Zerillo ("Zerillo") was registered with Merrill Lynch, Pierce, Fenner & Smith ("Merrill Lynch" or "the Firm") from October 2009 through July 26, 2012 as a General Securities Representative (Series 7) and a Uniform Securities Agent (Series 63). He also held a Series 65 license. Zerillo became registered with Merrill Lynch as a result of the Firm's merger with Bank of America. He had been registered with Bank of America Investment Services since February 1999. He was terminated by Merrill Lynch on July 26, 2012 as a result of the instant conduct. Zerillo has not been registered or associated with any FINRA-regulated firm since his termination from the Firm.

FINRA retains jurisdiction over Zerillo 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 Zerillo's termination of registration from a FINRA member, and this AWC has been filed within two years after the effective date of his last termination of registration from a FINRA member.

FACTS AND VIOLATIVE CONDUCT

From February 2011 through July 2012 (the "relevant period"), Zerillo accepted gifts of \$189,000 in the form of money orders from MB, an 88 year old widowed customer of his, in \$1,000 increments. During the relevant period, Zerillo deposited \$161,000 of these money orders, in batches of \$10,000 or less, into his Bank of America checking account.

Following an anonymous tip regarding the money orders on July 18, 2012, the Firm conducted an investigation. During the course of that investigation, firm investigators visited Zerillo's office and recovered an additional \$24,000 in money orders that Zerillo had not yet deposited.

Firm procedures throughout the relevant period prohibited registered representatives from accepting gifts from customers in the form of cash or its equivalent. Zerillo instructed MB to provide him with money orders to minimize the possibility that the Firm would detect the gifts. The manner of Zerillo's deposits was similarly intended to conceal from the Firm his acceptance of the money orders from MB.

By virtue of his conduct, Zerillo failed to "observe high standards of commercial honor and just and equitable principles of trade," in violation of FINRA Rule 2010.

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

1. A suspension in all capacities from association with a FINRA member firm for eight months; and
2. A fine of \$10,000.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are 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(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 Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. 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).

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 prejudice 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

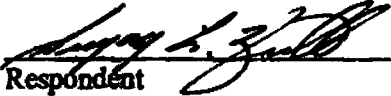
C. If accepted:

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: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

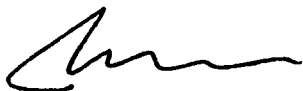
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

9/3/2013
Date (mm/dd/yyyy)


Respondent
Gregory Zerillo

Reviewed by:

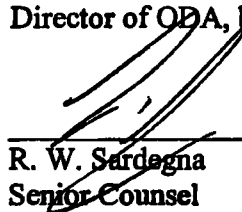


Philip J. Snyderburn, Esq.
Snyderburn, Rishoi & Swann, LLP
258 Southhall Lane, Suite 420
Maitland, FL 32751
(407) 647-2005

Accepted by FINRA:

^{R.S.}
9/10/2013
Date

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



R. W. Sardegna
Senior Counsel
FINRA Department of Enforcement
15200 Omega Dr., Suite 300
Rockville, MD 20850
(301) 258-8576; (202) 721-6578