

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

vs.

DAVID E. COOK,
Registered Representative,
(CRD No. 2503250)

Respondent.

Disciplinary Proceeding
No. C8A050030

Hearing Officer Andrew H. Perkins

ORDER ACCEPTING OFFER OF SETTLEMENT

INTRODUCTION

Disciplinary Proceeding No. C8A050030 was filed on April 28, 2005, by the Department of Enforcement of NASD ("Complainant"). Respondent David E. Cook ("Respondent") submitted an Offer of Settlement ("Offer") to Complainant on June 14, 2005. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Respondent entered the securities industry in December 1994 as a General Securities Representative with a member of NASD. In 1995, Respondent passed the Uniform Securities Agent State Law Exam (Series 63) and the NASAA – Investment Advisors Law Exam (Series 65). On September 9, 1997, Respondent became a General Securities Principal. Respondent was registered in the above capacities with Bethany Financial Advisory, Inc. ("Bethany") from November 1996 through July 2001. Respondent was also the chief executive officer of Bethany. Bethany was a one-man shop, and Respondent closed it in 2001. On April 5, 2004, Respondent voluntarily left the securities industry, and is not currently registered with any member firm. Respondent has no disciplinary history with NASD.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

Between the approximate dates of October 27, 2000 and January 5, 2001, Respondent affixed the signature of public customer BV to three separate Individual Retirement Account distribution forms and submitted the forms to a clearing firm to cover margin calls in the Customer BV's accounts as an accommodation. Based on the foregoing, Respondent violated NASD Rule 2110.

Between the approximate dates of June 8, 2000 and October 27, 2000, Respondent affixed the signature of public customer HH to three separate individual Retirement Account distribution forms and submitted the forms to a clearing firm to cover margin calls in the Customer HH's accounts as an accommodation. Based on the foregoing, Respondent violated NASD Rule 2110.

On or about May 3, 2001, in response to a NASD request for information, Respondent submitted to NASD staff three separate falsified IRA distribution forms purportedly signed by Customer HH to support his claim that Customer HH authorized IRA distributions to cover margin calls. Based on the foregoing, Respondent violated NASD Rule 2110.

On or about June 19, 2001, in response to a NASD request for information, Respondent Cook submitted to NASD staff three separate falsified IRA distribution forms purportedly signed by Customer BV to support his claim that Customer BV authorized IRA distributions to cover margin calls. Based on the foregoing, Respondent violated NASD Rule 2110.

On or about March 2, 2004, NASD staff sent to Respondent a request that he provide certain information, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That request for information was sent by first class mail and by certified mail, return receipt requested to Respondent's address of record as contained in the records of the Central Registration Depository ("CRD address"). On March 11, 2004, Respondent's attorney requested additional time in which to respond. NASD staff agreed, and set a new deadline of March 31, 2004. To date, no response has been received. Based on the foregoing, Respondent violated NASD Rules 2110 and 8210.

On or about April 5, 2004, NASD staff sent to Respondent a request that he provide the information initially requested on March 2004, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210. That request for information was sent by first class mail and by certified mail, return receipt requested, to Respondent's CRD address. The first class mailing to the CRD address was not returned. On April 16, 2004, Respondent sent a letter in response to the second request for information and informed NASD staff that he is leaving the securities industry. To date, no response has been received. Based on the foregoing, Respondent violated NASD Rules 2110 and 8210.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be barred from association with any member of NASD in any capacity.

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD

June 24, 2005
Date

By: Carlotta A. Romano
Carlotta A. Romano
Senior Vice President and Regional Director
NASD, District 8

on behalf of the Director of ODA, pursuant to
delegated authority