

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. C9A050004

TO: Department of Enforcement
NASD

RE: Massimo F. Colella, Respondent
General Securities Representative
CRD No. 4145734

Pursuant to Rule 9216 of the NASD Code of Procedure, Massimo F. Colella ("Colella") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against me alleging violations based on the same factual findings.

I understand that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Enforcement, National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
3. If accepted:
 - a. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by the NASD or any other regulator against me;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about my disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. 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 allegation in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects my testimonial obligations or right to take legal or factual positions in litigation in which the NASD is not a party.

I also understand that my experience in the securities industry and disciplinary history may be factors which will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Colella first became registered with NASD in April 2000 as a General Securities Representative with American Express Financial Advisors, Inc. ("AEFA") and IDS Life Insurance Company ("IDS"). He was registered in that capacity with AEFA and IDS from April 2000 to January 28, 2004. He has not been registered with any NASD member since January 28, 2004. Colella has no disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against me;
- B. To be notified of the Formal 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 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 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.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of 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.

II.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the allegations or findings, 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, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by NASD:
1. From about October 28, 2003 to about November 12, 2003, on about 4 occasions, Colella charged a personal expense, or caused a personal expense to be charged, to a personal credit card owned by a business associate, who was also a co-worker, without that person's knowledge or authorization. The total amount of the unauthorized charges was about \$386.

Based on the foregoing, Colella violated NASD Conduct Rule 2110.

2. On about February 28, 2000, Colella signed a Form U4 application for registration seeking to become registered with AEFA and IDS. Colella answered "No" on the Form U4 in response to Question 23M, which asked if he had any unsatisfied judgments or liens against him. Colella's registration with AEFA and IDS became effective on April 20, 2000. From about March 2000 to about March 2002, about 14 separate civil judgments were entered against Colella in various courts and, after being entered, the respective judgments remained unsatisfied. The existence of each separate unsatisfied judgment constituted a material fact for purposes of Colella's Form U4. Colella willfully failed to disclose the respective unsatisfied judgments on a Form U4 Amendment.

Based on the foregoing, Colella violated NASD Conduct Rule 2110 and IM-1000-1.

- B. I also consent to the imposition, at a maximum, of the sanction of a bar from association with any NASD member.

Pursuant to IM-8310-2(f), the bar imposed herein shall become effective upon approval or acceptance of this AWC by the NAC.

III.

OTHER MATTERS

- A. I understand that if I am barred from association with any NASD member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar. (See NASD Rule 8310 and IM-8310-1).

- B. I understand that this settlement includes a finding that I willfully failed to disclose material facts on a Form U-4 amendment, and that under Section 15(b)(4)(A) of the Securities Exchange Act of 1934 and Article III, Section 4(f) of the NASD By-Laws, this omission makes me subject to a statutory disqualification with respect to association with a member.

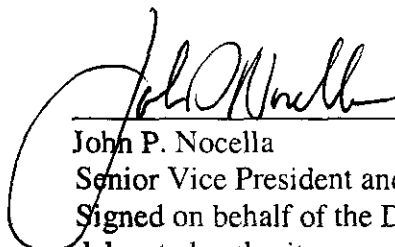
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce me to submit it.

1/19/05
Date


Massimo F. Colella

Accepted by NASD

February 8, 2005
Date


John P. Nocella
Senior Vice President and District Director
Signed on behalf of the Director of ODA, by
delegated authority