

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 093050032 - DISTRICT 9 NEW JERSEY

TO: Department of Enforcement
NASD

RE: John Basil Inferrera, Respondent
CRD No. 2277159

Pursuant to Rule 9216 of NASD Code of Procedure, John Basil Inferrera ("Inferrera") 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 and National Adjudicatory Council ("NAC") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), 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 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 or other legal proceedings in which NASD is not a party.

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

Inferrera became registered with the NASD as an Investment Company Products/Variable Contracts Representative (Series 6) on or about September 4, 1992. Inferrera was been registered with Kirlin Securities, Inc. ("Kirlin") from June 17, 1999 until his association with such member was terminated on March 10, 2005 because of the conduct alleged herein. Inferrera is not presently associated with a member firm and has not previously been the subject of a disciplinary action.

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:

On June 17, 1999, Inferrera became registered with NASD through Kirlin. Inferrera, however, was not licensed to sell securities in New Jersey until March 1, 2002, and was not licensed to sell securities in Indiana until July 31, 2002.

In or about December 2001, Inferrera, in order to circumvent New Jersey securities licensing requirements, entered into an arrangement with Kirlin registered representative GM, who was properly registered to sell securities in New Jersey. As part of this arrangement, Inferrera and GM created inaccurate records related to the NJ customer's account so that GM appeared as the registered representative of record. Inferrera, however, was actually handling this account. From December 2001 through March 2002, GM entered 32 securities transactions for that New Jersey customer's account on Inferrera's behalf.

In or about June 2002, Inferrera, in order to circumvent Indiana's securities licensing requirements, entered into an arrangement with Kirlin registered representative MP, who was properly registered to sell securities in Indiana. As part of this arrangement, Inferrera and MP created inaccurate records related to the Indiana customer's account so that MP appeared as the registered representative of record. Inferrera, however, was actually handling this account. From June 2002 through July 2002, MP entered two securities transactions for that Indiana customer's account on Inferrera's behalf.

This conduct was in violation of NASD Conduct Rule 2110.

B. I also consent to the imposition, at a maximum, of the following sanctions:

A six-month suspension from association with any NASD member firm in any capacity and a fine of \$10,000. The fine shall be due and payable either immediately upon reassociation with a member firm following the six-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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 AWC by the NAC.

III.

OTHER MATTERS

A. I understand that 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 NASD, nor does it reflect the views of NASD or its staff.

- B. I agree to pay any monetary sanctions imposed on me upon re-entry as noted above.
- C. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.
- D. I understand that if I am barred or suspended from associating 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 or suspension. (See NASD Rule 8310 and IM-8310-1.)

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.

4/23/05
Date

John Basil Inferrera
John Basil Inferrera,
Respondent

Counsel for Respondent:

Joseph Keenan, Esq.
Joseph Keenan, Esq.
McCanliss & Early, LLP 4/22/2005

Accepted by NASD:

5/16/05
Date

Gary Liebowitz
Gary Liebowitz,
Senior Vice President,
District Director

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