

**NASD
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Nora L. Newell,
General Securities Representative
[CRD No. 1765390]

Respondent.

Disciplinary Proceeding
No. E052004024601

Hearing Officer - DMF

ORDER ACCEPTING OFFER OF SETTLEMENT

Date: June 28, 2006

INTRODUCTION

Disciplinary Proceeding No. E052004024601 was filed on February 15, 2006, by the Department of Enforcement of NASD ("Complainant"). Respondent Nora L. Newell submitted an Offer of Settlement ("Offer") to Complainant on June 2, 2006. 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 for the purpose of this proceeding only, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding in which NASD is a party, to the entry of findings of facts 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

Nora L. Newell ("Newell") became registered on April 19, 1988 as a General Securities Representative of member firm Ameriprise Financial Services, Inc., and later became associated with The Concord Equity Group, LLC. Newell was registered with First Montauk Securities Corp during the period of the events at issue and until her termination on December 31, 2003. First Montauk Securities Corp. filed a Uniform Termination Notice for Securities Industry Registration ("Form U-5") on February 18, 2004 which disclosed the subject conduct. Newell is not currently associated with a member firm and has not previously been the subject of a formal disciplinary action by any regulatory body.

FINDINGS AND CONCLUSIONS

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

1. During the period from on or about March 7, 2003, through on or about July 11, 2003, Nora L. Newell, borrowed funds in the amounts of \$15,000.00 and \$30,000.00 from public customers RP and KT, respectively. To fund these loans, Newell recommended and executed the liquidation of various mutual fund holdings in the accounts of RP and KT for the purpose of funding the two loans.

2. Newell falsely represented to RP and KT that the funds would be used by Newell for real estate investments to be owned by Newell. Newell also represented that she would pay the loan with interest at the rate of 15% per annum.
3. Newell has never made any payment of principal or interest on the loans.
4. Newell did not have reasonable grounds for believing that the recommendation to liquidate and the resultant mutual fund sale transactions were suitable for the customers on the basis of the customers' financial situation, investment objectives or needs.
5. Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2310(a) by Respondent Nora L. Newell.
6. By letters dated December 20, 2004, January 5, 2005, and January 24, 2005, the NASD District staff requested that Newell provide certain information to the staff concerning the activities described in the First Cause of Complaint. These requests for information were sent pursuant to, and in accordance with, the provisions of Procedural Rule 8210.
7. Respondent Newell failed to respond to the above requests.
8. Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and Procedural Rule 8210 by Respondent Nora L. Newell.

Based on the foregoing, Respondent Nora L. Newell violated NASD Conduct Rules 2110, 2310(a), and Procedural Rule 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

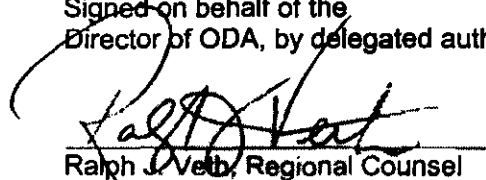
It is ordered that Nora L. Newell be barred from association with any NASD member in any capacity.¹

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

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



Ralph J. Veth, Regional Counsel
NASD, District No. 5
1100 Poydras Street, Suite 850
New Orleans, Louisiana 70163-0802
Phone: 504/522-6527
FAX: 504/522-4077

¹ No monetary sanctions have been imposed in this disciplinary action due to Respondent's pending bankruptcy proceedings. However, this settlement does not preclude the customers from pursuing their own actions to effect such remedies.