

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E062004003003

TO: Department of Enforcement
NASD

RE: Jerome Louis Galant
CRD No. 4771234

Pursuant to Rule 9216 of the NASD Code of Procedure, I, Jerome Louis Galant ("Respondent"), submit 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"), 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 finding 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 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:

Jerome Louis Galant entered the securities industry in August 2002 when he became an employee of member firm Huberman Financial Inc. Galant never registered in any capacity with Huberman Financial but during all times referenced herein, he was the firm's research analyst. In December 2004, he ended his association with Huberman Financial Inc. and since that time he has not been associated with any other member of NASD. He has no disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under the 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding, to the entry of the following findings by NASD:

1. During the period from about March 2003 to about February 2004, Jerome Louis Galant was a research analyst for member firm Huberman Financial Inc. During this period, Galant prepared and issued, among others, eight research reports covering common stocks of the following issuers: Concur Technologies, Innovative Solutions, Priceline.com, and Sabre Holdings. These eight research reports contained either a buy or hold recommendation.

Galant held positions in each of the securities referenced in his eight research reports and sold amounts ranging from 100 shares to 1,200 shares at various times while his recommendations were still in effect. Even though the securities he sold continued to increase in value, and thus, continued to trade consistent with his recommendations, Galant's research reports still maintained buy recommendations on the securities he was selling.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2711(g)(2), 2711(g)(3) and 2110 by Respondent Jerome Louis Galant.

2. During the period from about September 2002 to about August 2003, Galant, prepared 28 research reports for Huberman Financial Inc. which were then issued. These reports failed to include the meaning of each rating used by the firm in its rating system, the distribution of its ratings, and a price chart.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2711(h)(4), 2711(h)(5), 2711(h)(6) and 2110 by Respondent Jerome Louis Galant.

3. During the period from about July 2003 to about August 2003, Galant prepared 7 research reports for Huberman Financial Inc. which were then issued. These reports failed to comply with the Regulation Analyst Certification rule (Regulation AC, 17 CFR 242.500 through 505) in that they failed to include the following information:

- (A) a statement by the research analyst certifying that the views expressed in the research report accurately reflect such research analyst's personal views about the subject securities and issuers; and

(B) a statement by the research analyst certifying either:

- (1) that no part of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report; or
- (2) that part or all of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. If the analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report, the statement must include the source, amount, and purpose of such compensation, and further disclose that it may influence the recommendation in the research report.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and Regulation AC, 17 CFR 242.500 through 505 by Respondent Jerome Louis Galant.

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

A monetary fine of \$35,000.00¹, and a suspension, in all capacities, for a period of thirty business days.

The sanctions imposed herein shall be effective on a date set by NASD staff. The fine shall be due and payable pursuant to the installment payment plan as designated on the attached Election of Payment form beginning either immediately upon reassociation with a member firm following the thirty business day 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.

III.

OTHER MATTERS

A. I understand that we may attach a Corrective Action Statement to this AWC which 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.

¹ The fine noted above includes disgorgement of ill-gotten gains in the amount of \$25,000.

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- B. I agree to pay any monetary sanctions imposed on me upon re-entry as noted above and have attached an Election of Payment form showing the method by which we propose to pay any fine imposed.
- C. We specifically and voluntarily waive any right to claim that we are 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 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 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.

Date

4/10/06

Jerome Louis Galant



Reviewed by:



Counsel for Respondent



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Accepted by NASD:

05/11/2006
Date

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


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