

**NASD
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Alexis C. Korybut,
CRD No. 2361771,

Respondent.

Disciplinary Proceeding
No. E0720040023 01

Hearing Officer – Andrew H. Perkins

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: April 26, 2007

INTRODUCTION

Disciplinary Proceeding No. E0720040023 01 was filed on December 29, 2006, by the Department of Enforcement of NASD ("Complainant"), and the Amended Complaint in this matter was filed on March 5, 2007. Respondent Alexis C. Korybut submitted an Offer of Settlement ("Offer") to Complainant on April 17, 2007. 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 Korybut has consented, without admitting or denying the allegations of the Amended 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 Amended Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of his permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Respondent Korybut first entered the securities industry in June 1994. In February 1999 he became registered with NASD as a representative and principal of Sterling Financial Investment Group, Inc., where he served as president until December 2004. In January 2003, NASD accepted a Letter of Acceptance, Waiver and Consent from Respondent Korybut pursuant to which he was fined \$35,000 jointly and severally with Sterling Financial Investment Group, Inc. and was suspended from association with any NASD member in all capacities for twenty business-days, based on findings that he violated Section 10(b) of the Securities Exchange Act and Rules 10b-5 and 10b-9 thereunder, and NASD Conduct Rules 2120 and 2110.

FINDINGS AND CONCLUSIONS

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

As alleged in First Cause of the Amended Complaint, in both September 2002 and December 2002, Sterling Financial Investment Group, Inc. submitted a Letter of Acceptance, Waiver and Consent to NASD to resolve allegations that the firm violated NASD rules and other industry rules and regulations. As part of its sanction, Sterling was required to obtain an independent consultant to review certain of its business practices, and to comply with the consultant's recommendations to remedy the deficiencies identified in the settlements. Respondent Korybut,

as president of the firm, failed to ensure that the firm complied with the consultant's recommendations. Such acts, practices and conduct violate NASD Conduct Rule 2110.

As alleged in the Second Cause of the Amended Complaint, Respondent Korybut failed to: implement the various procedures recommended in the consultant's reports (described above); failed to establish and implement adequate systems and procedures for monitoring the activities of its 19 producing branch managers who approved account documentation and reviewed account activity and correspondence for their own customer accounts; failed to designate a registered principal as supervisor of Sterling's New York Office of Supervisory Jurisdiction; failed to establish and implement procedures for monitoring activities such as excessive "cancels and rebills" that might serve as "red flags" for detecting possible unauthorized transactions; and failed to establish procedures in the New York OSJ for ensuring a registered principal reviewed outgoing and incoming branch correspondence. Such acts, practices and conduct violate NASD Conduct Rules 3010 and 2110.

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 Korybut 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 Korybut be:

Suspended from association with any NASD member in all capacities for fifteen business-days;

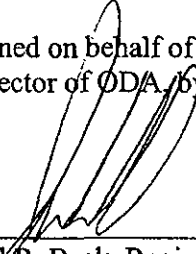
Suspended from association with any NASD member in all principal capacities for sixty calendars days, the first fifteen business-days of which are to be served concurrently with the suspension in all capacities as noted above.

In addition, he shall be fined \$25,000. The fine shall be due and payable either immediately upon reassociation with a member firm following the 15 business-day all capacity 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.

SO ORDERED.

NASD

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

By: 

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