

NASD OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

GREGORY GASSOSO
(CRD No. 2873605),

Respondent.

Disciplinary Proceeding
No. C10050048

Hearing Officer _____

COMPLAINT

Upon information and belief, the Department of Enforcement ("Complainant") alleges as follows:

JURISDICTION

1. Respondent Gregory Gassoso (CRD No. 2873605) ("Respondent") first became registered with NASD as a General Securities Representative in July 1997 through a former NASD member firm.
2. In September 2001, Respondent became registered as a General Securities Representative through Investprivate, Inc. ("Investprivate").
3. Respondent continues to be registered as a General Securities Representative through Investprivate and is therefore subject to NASD's jurisdiction, pursuant to Article V, Section 4 of NASD's By-Laws.

FIRST CAUSE OF COMPLAINT

**Unauthorized Transactions in DN's Account
(Violation of NASD Conduct Rule 2110)**

4. Paragraphs 1 through 3, above, are re-alleged and incorporated herein by reference.

5. In January 2002, customer DN opened an account at Investprivate with MA, a former broker of Investprivate.
6. In or around February 2002, after MA left Investprivate, DN's account was assigned to Respondent.
7. After MA left Investprivate, DN informed Respondent that he no longer wanted to maintain an account at Investprivate and, on February 6, 2002, signed an account transfer form, requesting that Investprivate transfer his holdings in his Investprivate account to another institution.
8. On or around February 22, 2002, Respondent sold, or caused to be sold, 6,200 shares of the Lord Abbett Mid-Cap Value Fund ("LAVLX") from DN's account, without DN's prior knowledge, authorization or consent.
9. On or around February 22, 2002, Respondent purchased, or caused to be purchased, 10,235 shares of the Eaton Vance Worldwide Health Sciences Fund ("ETHSX") in DN's account, without DN's prior knowledge, authorization or consent. Respondent used the proceeds from the sale of LAVLX from DN's account to fund this unauthorized purchase.
10. On or around February 28, 2002, Respondent purchased, or caused to be purchased, 3301 shares of the Hartford Mutual Global Health Fund ("HGHAX") in DN's account, without DN's prior knowledge, authorization or consent.

By reason of the foregoing, in each instance, Respondent violated NASD Conduct Rule 2110.

SECOND CAUSE OF COMPLAINT
Unauthorized Transaction in OH's Account
(Violation of NASD Conduct Rule 2110)

11. Paragraphs 1 through 10, above, are re-alleged and incorporated herein by reference.
12. In 2002, customer OH maintained a joint account with his wife at Investprivate.

13. Beginning in or around July 2002, Respondent began servicing OH's account.
14. On or around November 8, 2002, Respondent purchased, or caused to be purchased, 25,000 shares of Indevus Pharmaceuticals, Inc. ("IDEV") in OH's account, without OH's prior knowledge, authorization or consent.

By reason of the foregoing, Respondent violated NASD Conduct Rule 2110.

THIRD CAUSE OF COMPLAINT

Failure to Have Customer Correspondence Reviewed by Employer (Violation of NASD Conduct Rule 2110)

15. Paragraphs 1 through 14, above, are re-alleged and incorporated herein by reference.
16. Respondent failed to forward for Investprivate review incoming and outgoing electronic correspondence with OH concerning, among other things, the unauthorized purchase of 25,000 shares of IDEV described above, as required by Investprivate's written procedures. This electronic correspondence occurred on November 7, 2002 and related to Investprivate's securities business.
17. Respondent, by failing to forward this electronic correspondence to Investprivate, prevented Investprivate from discharging its supervisory obligation under NASD Conduct Rule 3010(d)(2). This rule requires NASD member firms to develop written procedures for reviewing "incoming and outgoing written and electronic correspondence of its registered representatives with the public relating to the investment banking or securities business of such member."

By reason of the foregoing, Respondent violated NASD Conduct Rule 2110.

PRAYER FOR RELIEF

- A. Findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. An order imposing sanctions upon Respondent in accordance with NASD Rule 8310;

- C. An order requiring Respondent to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest;
- D. An order imposing such costs of any proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330; and
- E. An order imposing any other fitting sanction.

Dated: June 13, 2005

DEPARTMENT OF ENFORCEMENT


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