

NASD
NASD OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

GREGORY GASSOSO
(CRD No. 2873605),

Respondent.

Disciplinary Proceeding
No. E102003059702

Hearing Officer—AWH

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: December 9, 2005

INTRODUCTION

Disciplinary Proceeding No. C10050048 was filed on June 14, 2005 by the Department of Enforcement of NASD ("Complainant") against Respondent Gregory Gassoso. Respondent submitted an Offer of Settlement ("Offer") to Complainant, dated November 21, 2005. 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, without admitting or denying the allegations of the 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 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 first became registered with NASD as a General Securities Representative in July 1997 through a former NASD member firm. Respondent is currently registered as a General Securities Representative with NASD through Investprivate, Inc. ("Investprivate") (BD No. 103737), and is therefore subject to NASD's jurisdiction.

Respondent was previously disciplined by NASD in May 2003, when he entered into an Acceptance, Waiver and Consent ("AWC"), consenting to findings that he opened customer accounts without the customers' authorization. Pursuant to the terms of this AWC, Respondent was suspended for ten business days and fined \$5,000. As a result of this AWC, in February 2004, the State of Illinois filed a consent order, terminating Respondent's registration in that state and forbidding Respondent from re-applying for registration for a period of two years.

Respondent does not have any other prior disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

FINDINGS AND CONCLUSIONS

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

Respondent has been registered with NASD as a General Securities Representative through Investprivate since September 2001.

As alleged in the First Cause of Complaint, in February 2002, while employed as a registered representative of Investprivate, Respondent effected three mutual fund transactions in the account of DN without DN's prior knowledge, authorization or consent. The unauthorized transactions were as follows: a sale of 6,200 shares of the Lord Abbett Mid-Cap Value Fund; a purchase of 10,235 shares of the Eaton Vance Worldwide Health Sciences Fund; and a purchase

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of 3,301 shares of the Hartford Mutual Global Health Fund. Respondent, by effecting unauthorized transactions in DN's account, violated NASD Conduct Rule 2110.

Additionally, as alleged in the Second Cause of Complaint, Respondent effected an unauthorized purchase in the account of a second customer, OH. Specifically, on or about November 8, 2002, while employed as a registered representative of Investprivate, Respondent purchased 25,000 shares of Indevus Pharmaceuticals, Inc. ("IDEV") in OH's account without OH's prior knowledge, authorization or consent. Accordingly, Respondent violated NASD Conduct Rule 2110.

Finally, as alleged in the Third Cause of Complaint, Respondent failed to forward for Investprivate's review incoming and outgoing electronic correspondence with OH concerning, among other things, the unauthorized purchase of IDEV described above. Respondent, by failing to forward this electronic correspondence to Investprivate, prevented Investprivate from discharging its supervisory obligation under NASD Conduct Rule 3010(d)(2). Accordingly, Respondent violated NASD Conduct Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Respondent's 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 Respondent be:

- 1) suspended from associating with any NASD member firm in any capacity for a period of 60 calendar days; and
- 2) fined \$6,000.

The sanctions imposed herein shall be effective on a date set by NASD staff.

SO ORDERED.

DEPARTMENT OF ENFORCEMENT

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

By: Adam Lipnick
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