

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. E3A20040354-03

TO: Department of Enforcement
NASD

RE: Jeffrey M. O'Brasky, Respondent
CRD No.1342618

Pursuant to Rule 9216 of NASD Code of Procedure, I [or 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") Review Subcommittee or Office of Disciplinary Affairs ("ODA"), 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 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 or factual positions in litigation or other legal proceedings in which NASD is not a party.

I also understand that my experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

I entered the securities industry in January 1988 as a representative of a member of NASD. I was continuously registered with NASD members as a general securities representative until December 2004. I am not currently associated with an NASD member. I have not previously been the subject of disciplinary action by NASD, SEC or a state regulatory body.

I.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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. I hereby accept and consent, without admitting or denying the findings, 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, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by NASD:

1. Between July 16, 2004 and October 21, 2004, Respondent entered orders for, and caused the execution of, approximately 24 purchases or sales of call options in the HH Employee Benefit Plan account. The account was not authorized to trade options pursuant to the procedures of Respondent's employer-member and the Plan Trustees did not approve these options transactions prior to execution. Executing these transactions constituted unauthorized trading by Respondent, in violation of NASD Conduct Rule 2110.

2. On or before July 14, 2004, Respondent provided to a registered principal of his employer-member an Options New Account Form for the HH Employee Benefit Plan account. The Options New Account Form was provided in connection with Respondent's request that the HH Employee Benefit Plan account be approved for options trading as specified on the Form. The signatures on the Options New Account Form purported to be those of the Plan Trustees were not genuine. Respondent knew or should have known that the Plan Trustees did not sign the Options New Account Form, but he presented the document to his employer-member for approval of options trading in the account without disclosing that the signatures were not genuine. In so doing, Respondent caused a required record of his employer-member to be falsified. The foregoing constituted violations of NASD Conduct Rules 2110 and 3110 by Respondent.

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

A suspension from association with any member of NASD in any capacity for a period of two years and a fine in the amount of \$20,000.00.

The fine shall be due and payable either immediately upon reassociation with a member firm following the two-year 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.

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

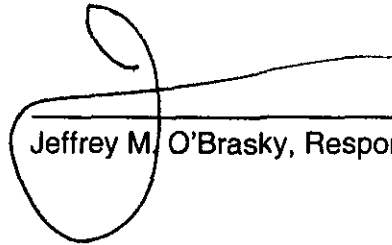
III.

OTHER MATTERS

- A. I understand that I may attach a Corrective Action Statement to this AWC that 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.
- B. I agree to pay any monetary sanctions imposed on me upon re-entry as noted above.
- C. I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter.

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.

5/3/06
Date


Jeffrey M. O'Brasky, Respondent

Reviewed by:

Counsel for Respondent

Accepted by NASD:

05/22/06
Date

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


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