

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. EAF0300920004

TO: Department of Enforcement
NASD

RE: Linda M. Rosato, Respondent
CRD No. 1085831

Pursuant to Rule 9216 of the NASD Code of Procedure, Linda M. Rosato ("Rosato" or "Respondent") submits 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 Respondent alleging violations based on the same factual findings.

The Respondent understands 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 Respondent; and
3. If accepted:
 - a. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against Respondent;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Respondent's 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. the Respondent 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 allegation in this

AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects the Respondent's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

The Respondent also understand that Respondent's experience in the 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:

Linda Rosato, age 53, at all times relevant to this AWC was a registered representative and branch operations manager of the Brooklyn, New York office of Janney Montgomery Scott LLC ("Janney"). Rosato first became employed by Janney on May 23, 1994 and was first registered as a General Securities Representative with Janney on June 23, 1994. She was terminated from Janney on January 8, 2004. Rosato has not been registered with another member firm since that time. Rosato was first registered as a General Securities Representative on February 9, 1983 and was associated with a total of five member firms prior to Janney. She has no relevant disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

The Respondent specifically and voluntarily waives the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against Respondent;
- 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, the 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.

The 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

Respondent hereby accepts and consents, without admitting or denying the allegations or 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 fact or law, to the entry of the following findings by NASD:

1. In a letter dated February 13, 2004, the staff of the Enforcement Department of NASD requested that Rosato appear for an on-the-record interview ("OTR") in connection with an NASD investigation into market timing and late trading at Janney. The OTR was scheduled to occur on March 11 and 12, 2004.
2. Rosato received the February 13, 2004 8210 request. After speaking with an attorney for Rosato, the staff agreed to postpone the date for Rosato's OTR first to March 24, 2002, and then to April 2, 2004.
3. Rosato's attorney subsequently informed the staff that Rosato would not appear for the OTR on April 2, 2004 or on any other date.
4. Rosato never appeared for the OTR pursuant to the February 13, 2004 Rule 8210 request. By refusing to appear for the OTR, Rosato violated Rules 8210 and 2110.

Sanctions

Respondent also consents to the imposition, at a maximum, of a bar.

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC.

III.

OTHER MATTERS

I understand that if I am barred or suspended from associating 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.)

The undersigned certifies that she has read and understands all of the provisions of this AWC and has 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 her to submit it.

Date: May 16, 2005

Linda M. Rosato
Linda M. Rosato
Respondent

Reviewed by:

David S. Smith
David S. Smith
275 Madison Ave., 35th Floor
New York, NY 10016
Counsel for Respondent

Accepted by NASD

7/21/05
Date

Thomas B. Johnson
Department of Enforcement
on behalf of the Director of ODA,
pursuant to delegated authority