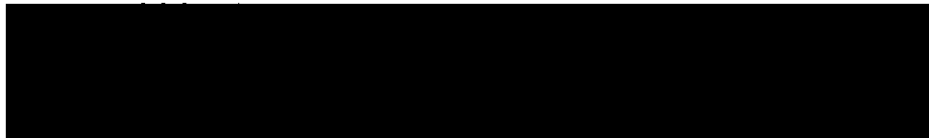
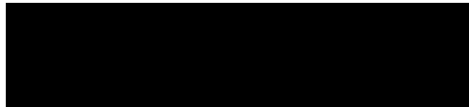


NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. ELI20020048-01

TO: Department of Enforcement
NASD

RE: Great Eastern Securities, Inc.,
Member Firm
(BD No. 2061)



Pursuant to Rule 9216 of the NASD Code of Procedure, Great Eastern Securities, Inc. ("Great Eastern"), [REDACTED] and [REDACTED] (collectively, "Respondents") 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 Respondents alleging violations based on the same factual findings.

Respondents 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 Respondents; and
3. If accepted:

- a. this AWC will become part of Respondents' permanent disciplinary records and may be considered in any future actions brought by NASD against Respondents;
- b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Respondents' disciplinary records;
- 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. Respondents 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 Respondents' testimonial obligations or right to take legal or factual positions in litigation in which NASD is not a party.

Respondents also understand that their 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:

Great Eastern has been a member of NASD since January 30, 1980. Great Eastern conducts its business from 6800 Jericho Turnpike, Suite 101W, Syosset, New York 11791. Great Eastern's approved business lines consist of: broker or dealer retailing corporate equity securities over-the-counter; underwriter or selling group participant (corporate securities other than mutual funds); mutual fund retailer; broker or dealer selling variable life insurance or annuities; put and call broker or dealer or option writer; non-exchange member arranging for transactions in listed securities by exchange member; and private placement of securities.

██████████ has been a member of NASD since July 24, 2003. ██████████ also conducts its business from ██████████. ██████████ approved business lines consist of: trading securities for own account. On April 1, 2005, ██████████ filed a Uniform Request for Broker-Dealer Withdrawal ("Form BDW") with NASD, which is currently pending.

Great Eastern and ██████████ do not have any relevant disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

████████ first became registered with NASD as a General Securities Representative on June 16, 1984 through a member firm. From May 1998 through the present, he has been registered with NASD in various capacities, including General Securities Representative, General Securities Principals, Financial and Operations Principal, and Equity Trader, through Great Eastern, where he served as Branch Manager. From July 2003 through the present, he has also been registered with NASD in various capacities, including General Securities Representative, General Securities Principal and Financial and Operations Principal, through Pro-Active.

On January 1, 2002, ██████ entered into an AWC with NASD which contained findings that, while registered with a different NASD member firm, he was responsible for failing to establishing written supervisory procedures to ensure compliance with the customer complaint reporting requirements of NASD Conduct Rule 3070, which resulted in the failure of several customer complaints to be properly reported to NASD, in violation of NASD Conduct Rules 2110, 3010 and 3070. ██████ was fined in the amount of \$2,500.

I.

WAIVER OF PROCEDURAL RIGHTS

Respondents 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 them;
- 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, Respondents 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.

Respondents 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. Respondents hereby accept and consent, 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 law or fact, to the entry of the following findings by NASD:

- (1) During the period November 25, 2001 through January 1, 2002, Great Eastern permitted JR, the firm's President, to conduct a securities business while JR's securities registration was inactive due to JR's failure to timely satisfy the Continuing Education/Regulatory Element ("CE Inactive"). Specifically, during the period that JR was CE Inactive, he signed and approved five new option agreements as the firm's Senior Registered Options Principal. During the period November 25, 2003 through February 17, 2004, [REDACTED] permitted JR to conduct a securities business while JR's securities registration was CE Inactive. Specifically, during the period that JR was CE Inactive, he effected ten proprietary transactions on behalf of Pro-Active. By reason of the foregoing, Great Eastern and [REDACTED] violated NASD Membership and Registration Rule 1120(a) and NASD Conduct Rule 2110.
- (2) During the period September 1, 2002 through November 30, 2002, Great Eastern permitted excessive commissions to be charged in 11 agency transactions. These transactions resulted in a total of \$392.75 in excessive commissions being charged to customers of Great Eastern, which Great Eastern has since refunded back to the affected customers. By reason of the foregoing, Great Eastern violated NASD Conduct Rules 2440 and 2110.
- (3) During the period January 1, 2000 through October 31, 2002, Great Eastern, acting through [REDACTED] failed to timely report two customer complaints (by customers GS on March 11, 2002, and RB on April 18, 2002) on registered representatives' RZ's and CRF's Uniform Applications For Securities Industry Registration or Transfer ("Forms U-4"), which complaints alleged one or more sales practice violations and contained a claim for compensatory damages of \$5,000

or more. During that same time period, Great Eastern, acting through [REDACTED] failed to timely report on registered representative's RZ's Form U-4 a settlement of a customer complaint (GS settlement dated March 15, 2002), which alleged one or more sales practice violations and which was settled for an amount of \$10,000 or more. By reason of the foregoing, Great Eastern and [REDACTED] acted in contravention of Article V, Section 2 of NASD's By-Laws and violated NASD Conduct Rule 2110.

- B. Respondents also consent to the imposition, at a maximum, of the following sanctions:
1. A censure against Great Eastern;
 2. A fine in the amount of \$15,000 against Great Eastern, of which:
 - (i) \$5,000 shall be joint and several with [REDACTED] and
 - (ii) \$5,000 shall be joint and several with [REDACTED]
 3. A five-day suspension against [REDACTED] from associating with any member firm in any principal or supervisory capacity.

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

III.

OTHER MATTERS

- A. Respondents understand that they may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents further understand that they 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. Respondents agree to pay any monetary sanctions imposed on them upon notice that this AWC has been accepted and that such payments are due and payable, and have attached an Election of Payment form showing the method by which they propose to pay any fine imposed.
- C. Respondents specifically and voluntarily waive any right to claim that they

are unable to pay, now or at any time hereafter, any monetary sanction imposed in this matter

Respondents certify that they 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, have been made to induce Respondents to submit the AWC.

Great Eastern Securities, Inc.

Date

By:

Jeffrey Ramson, President

By:

Jeffrey Ramson, President

Date

7/8/2005
Date

Reviewed by:

Counsel for Respondent

Accepted by NASD:

08/2/05
Date

Jon S. Baherman
Jon S. Baherman
Regional Counsel
Department of Enforcement

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